



## CHAIRMAN'S LETTER

### DECEMBER 14, 2013

The National Mediation Board (NMB) is an independent, federal agency charged with promoting the resolution of collective-bargaining, representation and grievance disputes in the railroad and airline transportation industries. The agency is headed by a three-member Board, nominated by the President and confirmed by the Senate. In August of FY 2013, Member Nicholas Geale joined the agency's incumbent Members Linda Puchala and Harry Hoglander, putting the Board at full strength. The Board self-designates a Chairman, typically on a yearly basis.

As FY 2013 came to a close, the NMB was in the process of addressing recommendations of the Government Accountability Office regarding strategic planning and other administrative functions. As the NMB continues to make improvements in FY 2014, the high level of agency performance will be strengthened.

During fiscal year 2013, the Office of Legal Affairs was particularly focused on fine-tuning the NMB implementation of the Federal Aviation Administration Modernization and Reform Act of 2012 (FAA Act). In December 2012, the NMB published its Final Rule in the Federal Register and on the NMB website to amend its existing rules for handling representation disputes to conform to and incorporate amendments to the RLA contained in the FAA Act. In the Final Rule, the Board stated that Congress, by enacting Section 2, Twelfth, intended to apply the same 50 percent showing of interest requirement in all representation disputes under the RLA. Thus, any application seeking the Board's investigation of a representation dispute under Section 2, Ninth, must be supported by a showing of interest of not less than 50 percent. This includes representation disputes arising from the merger of carriers.

Although complex merger and bankruptcy situations involving some of the nation's largest airlines have made work with the airlines particularly challenging, the Office of Mediation Services has continued to manage mediation and alternative dispute resolution cases well within the agency's performance targets. Partnerships with universities such as Dominican University and Cornell has successfully created shared value for all participants and made valuable and specialized dispute-resolution training available to NMB staff at little or no charge.

The level of grievance activity handled through the NMB Arbitration program increased significantly; the parties brought 6,576 cases in FY 2013 compared to only 3,569 cases in FY 2012. This increase is attributed to the recently concluded national round of bargaining among the Class I freight railroads, which has resulted in the filing of grievances concerning the applicability of certain provisions of those agreements. In its ongoing effort to minimize a backlog of grievance arbitration cases, NMB's Office of Arbitration Services is focusing on increasing the number of arbitrators available to hear and decide cases and also implementing advanced technology to improve the administrative processing of cases.

During 2013, NMB's Office of Administration transitioned to an Oracle-based financial-management system under an inter-agency agreement with the Bureau of Public Debt (BPD). In accordance with its Capital Planning Plan, the NMB implemented cloud-based email and data servers, eliminating the majority of on-site servers and making agency communication and data accessible to agency staff at any location where NMB work must be done. At the close of FY-2013, the NMB was in the process of moving its paperless records-management system and store of public data to a cloud platform consistent with government requirements. The NMB also transitioned to BPD's contracting and travel-management systems, ensuring NMB compliance with the applicable rules and regulations.

This Performance and Accountability Report includes a comprehensive set of performance Goals and Results pursuant to the Government Performance and Results Act. Also incorporated, as required, are the NMB Financial and Management Assurances reports. Because the NMB is not subject to the CFO Act, this Annual Report may not contain some of the information required of CFO Act agencies.



**LINDA A. PUCHALA**  
Chairman

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## ABOUT THE NMB

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## MISSION STATEMENT

The National Mediation Board (NMB) was established by the 1934 amendments to the Railway Labor Act (RLA) of 1926. It is an independent, federal agency performing a central role in facilitating harmonious labor-management relations within two of the nation's key transportation sectors: the railroads and airlines.

The NMB is headed by a three-member board nominated by the President and confirmed by the Senate. The members self-designate a Chairman typically on a yearly basis.

Pursuant to the Railway Labor Act\*, the Agency's integrated dispute-resolution processes are designed to promote the following three statutory goals, enabling the National Mediation Board to effect its mandate to minimize work stoppages in the railroad and airline industries:

- 01 — The resolution of disputes arising out of the negotiation of new or revised collective bargaining agreements;
- 02 — The effectuation of employee rights of self-organization where a representation dispute exists; and
- 03 — The resolution of disputes over the interpretation or application of existing collective bargaining agreements.

In order to realize these goals, the NMB Chief of Staff oversees an Office of Administration and two offices that house program areas: (1) Office of Mediation and ADR Services, and (2) Office of Arbitration Services. The Office of Legal Affairs constitutes the third program area. For further information, see the Management Discussion and Analysis section of this Annual Report.

\*The Railway Labor Act (RLA) provides a comprehensive statutory framework for the resolution of labor management disputes in the airline and railroad industries. Enacted in 1926 as a collaborative effort of labor and management, the RLA succeeded several previous federal statutes dating back to 1888. The 1926 Act provided for mandatory Mediation and voluntary Arbitration of railroad disputes in contract negotiations, as well as for Presidential Emergency Boards to enhance dispute resolution. Key amendments to the Act in 1934 established a three-member National Mediation Board (NMB) and authorized the resolution of employee Representation disputes by the NMB. In 1936, the jurisdiction of the RLA was expanded to include the airline industry. The 1981 amendment to the Act permitted the creation of specialized Presidential Emergency Boards for collective bargaining disputes at certain commuter railroads.

## NMB STRUCTURE

### CHAIRMAN AND MEMBERS OF THE BOARD

**Linda A. Puchala**<sup>1</sup>  
Chairman

**Harry Hoglander**<sup>2</sup>  
Member

**Nicholas Geale**<sup>3</sup>  
Member

**Libby Angelopoulos**  
Confidential Assist

**Robin Stein**  
Confidential Assist

**Vacant**<sup>4</sup>  
Confidential Assist

### EXECUTIVE DIRECTORS

### OFFICE OF CHIEF OF STAFF

**Daniel Rainey**  
Chief of Staff

**Charles Montague**  
Supervisory Program  
Analyst

**Samantha Williams**  
Special Assistant

**Dean Wagner**  
Program Analyst

**Donald West**  
Public Information Officer

**Sharis Barkhordarian,  
Jonathan Williams**  
Interns

### OFFICE OF LEGAL AFFAIRS

**Mary Johnson**  
General Counsel

**Angela Heverling**  
Counsel

**Kate Dowling**  
Associate GC

**Nikisha McKinney**  
Program Support  
Specialist

**Norman Graber**  
Counsel

**Tonya Kirksey**  
Program Support  
Specialist

**Eileen Hennessey**  
Counsel

**Elijah Crayton**  
Program Support  
Specialist

**Susanna Parker**  
Counsel

**Cristina Bonaca**  
Counsel

### DIRECTORS

### OFFICE OF MEDIATION AND ADR

**Larry Gibbons**  
Director

**Victoria Gray  
Michael Kelliher  
Walter Darr  
Andrew Nordgren**  
Mediators

**Pat Sims  
Terri Brown**  
Senior  
Mediators

**LoValerie Mullins**  
Mediator (ADR)

**Denise Hedges**  
Senior Mediator  
(ADR)

**April Dawson**  
Conflict Resolution  
Specialist

**Jack Kane  
John Livingood  
Anthony Tosi  
Gerry McGuckin  
James Mackenzie**

**Karen Burton**  
Mediation Program  
Specialist

### OFFICE OF ARBITRATION

**Roland Watkins**  
Director

**Carol Conrad**  
Supervisory  
Arbitration Specialist

**Darrell Dancer**  
Paralegal Specialist

**Tia Little**  
Program Management  
Specialist (ARB)

**Kimberly McCann  
Linda Gathings**  
Program Management  
Assistants (ARB)

### OFFICE OF ADMINISTRATION

**June D.W. King**  
Director

**Michael Alston**  
Supervisory Admin  
& Mgt. Specialist

**Denise Murdock**  
Program &  
Management Analyst

**Eric Johnson**  
Budget & Financial Analyst

**Bruce Conward, Jr.  
Terran Walker**  
Support Service Specialists

**Florine Kellogg**  
Receptionist

<sup>1</sup> Became Chairman on July 1, 2013.

<sup>2</sup> Served as Chairman in this fiscal year through June 30, 2013.

<sup>3</sup> Joined NMB on August 19, 2013; replaced Member Dougherty.

<sup>4</sup> CA to Member Geale; position vacant.

## BOARD MEMBERS



### **LINDA A. PUCHALA** Chairman

Linda A. Puchala is currently serving as Chairman of the Board for a second time. Nominated by President Barack Obama, Chairman Puchala was first confirmed as Member of the National Mediation Board by the United States Senate on May 21, 2009. She was sworn into office on May 26, 2009, and previously served as Chairman from July 1, 2011 through June 30, 2012. Her most recent Senate confirmation came on August 1, 2013.

Prior to becoming a Member, Ms. Puchala served 10 years at the National Mediation Board as a Mediator, Sr. Mediator (ADR) and the Associate Director of Alternative Dispute Resolution Services. Ms. Puchala's prior labor relations experience includes work as International President of the Association of Flight Attendants-CWA, AFL-CIO and Staff Director, Michigan State Employees Association, AFSCME, AFL-CIO.

Chairman Puchala resides in Glen Burnie, Maryland, and holds a Bachelor's degree in Business Administration from Cleary University in Howell, Michigan. She has two daughters, Jennifer Adams and Jessica Puchala.



### **HARRY HOGLANDER** Member

Member Hoglander was first confirmed as a Member of the National Mediation Board (NMB) by the United States Senate on August 1, 2002; his fourth and most recent confirmation came on August 1, 2013. He has been named four times as Chairman of the Board, most recently from July 1, 2012, through June 30, 2013.

Prior to joining the Board, Mr. Hoglander served as a Legislative Specialist in the office of Congressman John Tierney of Massachusetts with responsibilities in Transportation issues including aviation, rail and maritime, Labor, Defense and Veterans Affairs.

Member Hoglander has an extensive background in the aviation industry and labor relations, having flown as a Captain for Trans World Airline (TWA) and been elected Master Chairman of TWA's Master Executive Council. He was also elected Executive Vice-President of the Air Line Pilots Association. After leaving TWA, Mr. Hoglander was named Aviation Labor Representative to the United States Bi-Lateral Negotiating Team by then Secretary of State James Baker.

Mr. Hoglander was also a pilot in the United States Air Force, retiring with the rank of Lt. Colonel. He graduated from Suffolk University Law School and is a member of the Florida Bar.

Mr. Hoglander and his wife Judith reside in Magnolia, Massachusetts. They have six grown children and twelve grandchildren.



**NICHOLAS GEALE**  
**Member**

Member Geale was confirmed by the United States Senate on August 1, 2013. He assumed his position with the National Mediation Board (NMB) on August 19, 2013.

Immediately prior to joining the NMB, Mr. Geale served as the Director of Oversight and Investigations for Ranking Member Lamar Alexander on the U. S. Senate Health, Education, Labor and Pensions Committee. His primary responsibilities included investigating waste, fraud and abuse in government programs, and he worked with agency Inspectors General and the Government Accountability Office in that capacity. He also evaluated and advised the Committee on Presidential nominees and assisted the Health, Education, Labor and Pensions policy teams in evaluating government programs. Before becoming Director of Oversight, Mr. Geale served as Oversight and Investigations Counsel on the Committee for two years for Ranking Member Michael B. Enzi.

Prior to joining the HELP Committee, he was first an Attorney/Advisor to the Solicitor and then the Counselor to the Deputy Secretary at the U.S. Department of Labor under the leadership of Secretary Elaine L. Chao. In both those roles, Mr. Geale assisted the Department in implementing policies regarding over 180 laws under its jurisdiction and managing the Department's 15,000 employees.

Prior to federal service, Mr. Geale had six years of experience in labor and employment matters, general commercial litigation and alternative dispute resolution in private and public practice, including serving as Assistant General Counsel for the Washington Metropolitan Area Transit Authority. Member Geale graduated from Georgetown Law in 1999 and Claremont McKenna College in 1996.

## EXECUTIVE DIRECTORS



### **DANIEL RAINEY** Chief of Staff

Daniel Rainey is the Chief of Staff for the National Mediation Board. He joined the NMB from private practice in Alternative Dispute Resolution (ADR) and Conflict Management in April, 2001.

As Chief of Staff, he is responsible for managing the agency's internal programs, and he has full responsibility for implementing the Board's policies in all matters coming under its jurisdiction in the administration of the Railway Labor Act, except for those related to the Board's legal representation program and FOIA requests.

Immediately prior to coming to the NMB, Mr. Rainey was the owner/president of a consulting firm specializing in conflict management, conflict intervention, and training. From 1978 through 1990, he was a faculty member and administrative faculty member at George Mason University.

His memberships and associations include: the Association for Conflict Resolution, the American Bar Association Section of Dispute Resolution, the National Center for Technology and Dispute Resolution, and the Conflict Resolution Quarterly Editorial Board.



### **MARY JOHNSON** General Counsel

Mary L. Johnson is General Counsel of the National Mediation Board. As General Counsel, she serves as the Chief Legal Officer of the agency and manages the Board's representation program and a legal program which includes litigation. In this role, Ms. Johnson provides legal advice to the Board Members and agency staff. In addition, she ensures compliance with the Freedom of Information Act, Government in the Sunshine Act, and other statutes.

Ms. Johnson received her Juris Doctor from the University of Connecticut School of Law and her A.B. from Barnard College. She is a member of the Connecticut Bar and public Co-chair of the Railroad and Airline Labor Committee of the Labor and Employment Law Section of the American Bar Association.

## DIRECTORS

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**LARRY GIBBONS**  
**Director, Office of Mediation and ADR Services**

Larry Gibbons joined the Board in September, 1997 as a Senior Mediator. Currently, Mr. Gibbons is the Director of Mediation and has overall responsibility for the administration and management of mediation cases in the airline and railroad industries as well as the Agency's Alternate Dispute Resolution Program.

Mr. Gibbons brought to the Board 25 years of experience in personnel and labor relations, practicing under both the NLRA and RLA. Immediately prior to joining the NMB, he headed Human Resources and Labor Relations with ABX Air, Inc. (Airborne Express) for 12 years and for two years was an independent labor relations consultant. He is a past President and Member of the AIRCON Executive Board. Mr. Gibbons was also actively involved in community activities including serving on a Board of Directors for the United Way and an Adult Rehabilitation Workshop.

Mr. Gibbons earned a Bachelor of Science degree in Journalism from Ohio University, and he served as an officer in the United States Army.



**ROLAND WATKINS**  
**Director, Office of Arbitration Services**

Roland Watkins joined the National Mediation Board in February, 1980. During his career at the Board, he has been a Senior Hearing Officer and Legal Counsel. He has also served as counsel/special assistant to numerous Presidential Emergency Boards and Congressional Advisory Boards.

Currently, Mr. Watkins serves as the Director of the Arbitration Department, where he is responsible for all aspects of Grievance and Interest Arbitration in the airline and railroad industries. These responsibilities include administering railroad Public Law Boards, Special Boards of Adjustment and Arbitration Boards. He serves as the Administrator for the National Railroad Adjustment Board which is located in Chicago, Illinois.

Mr. Watkins received his B.A. degree in Economics from Lafayette College located in Easton, Pennsylvania, and his Juris Doctor from Cornell Law School in Ithaca, New York. He is a member of the Railroad and Airline Labor Committee and the Dispute Resolution Committee of the Labor and Employment Law Section of the American Bar Association.



**JUNE D.W. KING**  
**Director, Office of Administration**

June D.W. King is currently the Director of Administration (OA) and Chief Information Officer (CIO) for the National Mediation Board. As the Director OA, she is responsible for the Board's administrative management functions, which include strategic planning and budgeting; accounting and finance; human resources management; procurement and contracting; and internal audit and evaluation. As the CIO, she has direct authority for the NMB's policies and practices of the Board's Information Technology Program.

She serves as the NMB's principal management official on all the Small Agency Councils Executive Committee. She is a member of all the small agency councils in all the areas within overall responsibility.

Mrs. King received her Bachelor's degree in Business Administration with a concentration in Accounting from the University of the District of Columbia.

## REGISTRY OF BOARD MEMBERS

NAME	START DATE	END DATE
Nicholas C. Geale <sup>3</sup>	08-19-13	Active
Linda A. Puchala <sup>1</sup>	05-26-09	Active
Elizabeth Dougherty	12-13-06	06-02-12
Read Van de Water	12-11-03	05-22-09
Harry R. Hoglander <sup>2</sup>	08-06-02	Active
Edward J. Fitzmaurice, Jr.	08-02-02	12-13-06
Francis J. Duggan	11-22-99	11-21-03
Magdalena G. Jacobsen	12-01-93	08-02-02
Ernest W. DuBester	11-15-93	08-01-01
Kenneth B. Hipp	05-19-95	12-31-98
Kimberly A. Madigan	08-20-90	11-30-93
Patrick J. Cleary	12-04-89	01-31-95
Joshua M. Javits	01-19-88	11-14-93
Charles L. Woods	01-09-86	01-15-88
Helen M. Witt	11-18-83	09-18-88
Walter C. Wallace	10-12-82	07-01-90
Robert J. Brown	08-20-79	06-01-82
Robert O. Harris	08-03-77	07-31-84
Kay McMurray	10-05-72	07-01-77
Peter C. Benedict	08-09-71	04-12-72
David H. Stowe	12-10-70	07-01-79
George S. Ives	09-19-69	09-01-81
Howard G. Gamser	03-11-63	05-31-69
Robert O. Boyd	12-28-53	10-14-62
Leverett Edwards	04-21-50	07-31-70
John Thad Scott, Jr.	03-05-48	07-31-53
Francis A. O'Neill, Jr.	04-01-47	04-30-71
Frank P. Douglass	07-03-44	03-01-50
William M. Leiserson	03-01-43	05-31-44
Harry H. Schwartz	02-26-43	01-31-47
David J. Lewis	06-03-39	02-05-43
George A. Cook	01-07-38	08-01-46
Otto S. Beyer	02-11-36	02-11-43
John M. Carmody	07-21-34	09-30-35
James W. Carmalt	07-21-34	12-02-37
William M. Leiserson	07-21-34	05-31-39

<sup>1</sup> Term expires July 1, 2015.

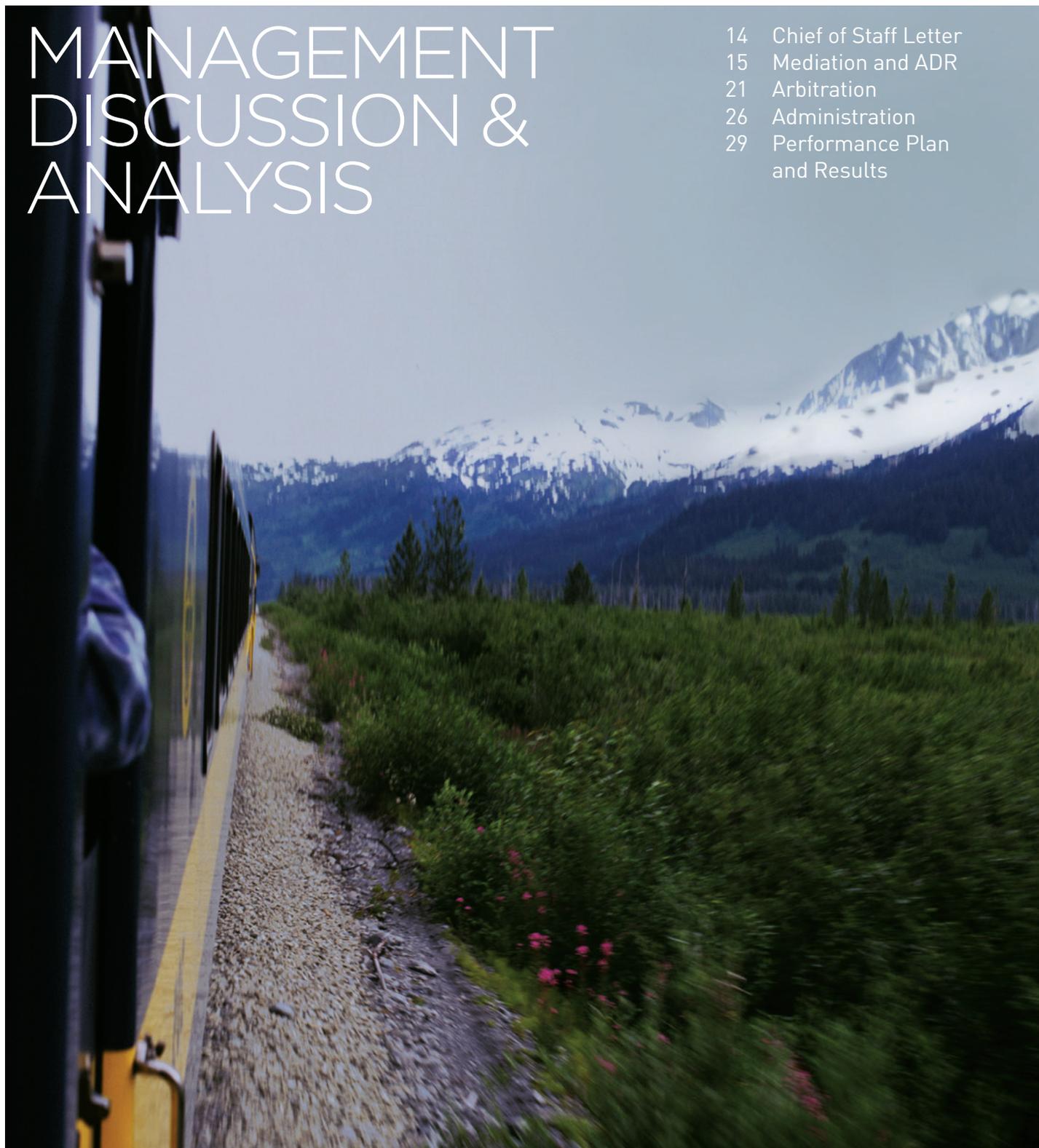
<sup>2</sup> Term expires July 1, 2014.

<sup>3</sup> Term expires July 1, 2016.



# MANAGEMENT DISCUSSION & ANALYSIS

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## CHIEF OF STAFF LETTER

### DECEMBER 14, 2013

During Fiscal Year 2013, the National Mediation Board entered its 79th year as the agency responsible for promoting harmonious relationships among management and labor organizations in the airline and railroad industries in America. Working directly with organization and carrier advocates to settle matters of representation, negotiate contracts, and resolve grievances, remains as challenging as ever, particularly in an era of budget austerity.

The Office of Mediation and ADR Services leadership and staff have continued to pursue innovative approaches to mediation and facilitation with the parties. During FY 2013, the Mediation and ADR staff used expedited processes to encourage resolution of major disputes, and they continued to expand the NMB's grievance mediation program, resolving difficult issues and handling grievances in a timely and cost effective manner. During FY 2013, Mediation and ADR continued to develop cooperative relations with Dominican University, resulting in low cost training opportunities for all NMB staff. ADR staff was also involved in development and delivery of cutting edge conflict-resolution training for all NMB staff.

During FY 2013, the Office of Arbitration Services fully implemented a number of new accounting and work flow processes, using cross-servicing agencies to provide administrative services in a timely and cost effective manner.

The Office of Arbitration Services fully implemented the online Arbitrator Workspace, allowing NMB contract arbitrators to manage cases and resolve minor disputes in a fully controlled and audited process. Arbitration staff worked closely with staff in Administration and Mediation/ADR to improve financial reporting and to encourage the use of creative problem solving for minor disputes.

During FY 2013, the NMB completed the task of moving all agency data into a cloud environment, accessible to NMB staff from any location where NMB work must be done. The move to cloud computing and cloud network-management resulted in significant improvements in work processes, and significantly reduced the cost of information and communication technology services across the agency.

As FY 2013 came to a close, the NMB was in the process of responding to GAO recommendations regarding strategic planning and other administrative functions. As the NMB responds and makes improvements in FY 2014, the high level of performance maintained across all NMB Offices will be strengthened.

In short, I can report that notwithstanding the many challenges, FY 2013 was a very good year for the National Mediation Board.



**DANIEL RAINEY**  
Chief of Staff

## MEDIATION AND ADR

**LARRY GIBBONS, DIRECTOR**

The Office of Mediation and ADR Services (OMAS) manages mandatory Mediation of collective bargaining disputes pursuant to statutory authority under “Section 6” of the Railway Labor Act (RLA), which is applicable to both the airline and railroad industries. The ADR component of OMAS offers voluntary dispute resolution programs to the parties including facilitation, grievance mediation, training, and other dispute resolution efforts.

## MEDIATION OVERVIEW

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The RLA requires labor and management to exert every reasonable effort to make and maintain collective bargaining agreements. Initially, the parties must give notice to each other of their proposals for new or revised agreements. Direct negotiation between the parties must commence promptly and continue in an effort to conclude a new collective bargaining agreement or to narrow their differences. Should parties fail to reach agreement during Direct Negotiations, either party or the parties jointly, may apply to the NMB for Mediation. Following receipt of an application, the NMB promptly assigns a mediator to assist the parties in reaching an agreement. [An application for NMB mediation services may be obtained from the Agency's web site at [www.nmb.gov](http://www.nmb.gov).]

The NMB is obligated under the Act to use its "best efforts" to bring about a peaceful resolution of the dispute. If such efforts do not settle the dispute, the NMB advises the parties and offers Interest Arbitration (proffers arbitration) as an alternative approach to resolving the remaining issues. If either party rejects this offer of binding arbitration, the NMB releases the parties from formal Mediation. This release triggers a thirty-day Cooling Off period, during which the Agency continues to work with the parties to achieve a consensual solution to the dispute. However, if an agreement is not reached by the end of the thirty-day period and the U.S. President does not establish an Emergency Board, the parties are free to exercise lawful self-help, that includes carrier-imposed working conditions and/or a strike by the union/organization.

For a flow chart of Mediation procedures, see the Mediation section of the NMB website at [www.nmb.gov](http://www.nmb.gov). For more information on Emergency Boards, see the PEB section of this Annual Report.

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## MEDIATION HIGHLIGHTS

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In FY 2013, while mediators continued to face difficult bargaining situations familiar from previous years, settlements became more difficult as legacy air carriers such as United Airlines and American Airlines continued to remake themselves through bankruptcies and mergers. Airline profits continued to be hard-earned but, profits of any size raise employee expectations at the bargaining table.

Carriers and organizations, in both air and rail, remained engaged in battles over higher wages and better benefits versus the ability to pay. Once again, mediation was increasingly important in assisting the parties to reach Collective Bargaining Agreements, and also more difficult, testing the skills of the mediator corps. Mediation cases docketed and closed in FY 2013 can be seen in the Case Reports and Tables.

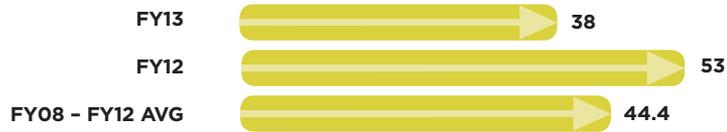
There were no work stoppages in FY 2013.

## MEDIATION CASES

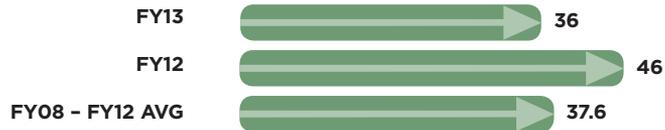
### START PENDING



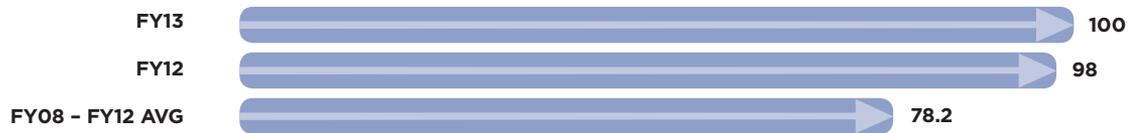
### CASES DOCKETED



### CASES CLOSED



### END-PENDING



## ADR OVERVIEW

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In addition to **statutory** mediation and arbitration services under Sections 6 and 3 of the RLA, the NMB provides **voluntary** Alternative Dispute Resolution (ADR) services. ADR services include facilitation, training, grievance mediation, and an online dispute resolution (ODR) program, applying technology to the dispute resolution process.

The primary goal of the NMB's ADR program is to assist the parties in learning and applying more-effective, less-confrontational methods for resolving disputes. Another goal is to help the parties resolve more of their own disputes without outside intervention, and to use appropriate ODR technology to increase the efficiency and reduce the cost of dispute resolution efforts for the parties.

The NMB established its ADR Services program with the conviction that use of ADR and ODR methods would result in fewer cases progressing to statutory mediation, reduce and narrow the issues which the parties bring to mediation, and positively affect working relationships among the parties.

A complete description of and an application for ADR services may be found on the Agency's web site.

## ADR HIGHLIGHTS

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Alternative Dispute Resolution (ADR) personnel continued to develop and deliver a wide range of services, including training (T cases), facilitation (F cases), grievance mediation (GM cases), facilitated problem solving (FPS) and Online Dispute Resolution (ODR).

During FY 2013, ADR Services continued to offer special training programs and facilitation efforts outside of traditional grievance mediation and facilitation work. The promotion of the use of ODR tools and training has greatly increased demands for ADR services such as Online Workspaces for the parties, Online Video Conferencing, and programs in conjunction with the Office of Arbitration including online arbitrations and “submissions only” arbitrations. Additionally, a new grievance mediation video made in conjunction with the Airline Pilots Association (ALPA) has been uploaded to the NMB’s Lyceum (online training site) accessible through the NMB website at [www.nmb.gov](http://www.nmb.gov).

Specific ADR cases docketed and closed in FY 2013 can be seen in the Case Reports and Tables.

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## Online Arbitration

The NMB continued to develop and use its web-based video conferencing and document sharing capabilities. Virtually all executive sessions during FY 2013 for the NRAB were held using ODR technology.

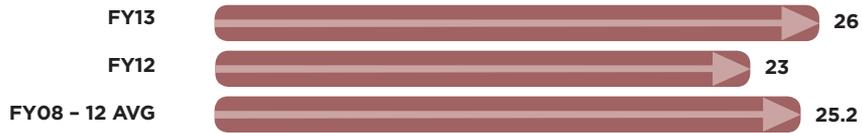
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## Partnerships

In partnership with Dominican University and Cornell University, the ADR staff designed and delivered a number of trainings and presentations that provided quality training and complemented the employees/students’ career development. The partnerships have successfully created a shared value for all participants by making high quality training available to NMB employees at no charge to the agency.

## ADR CASES

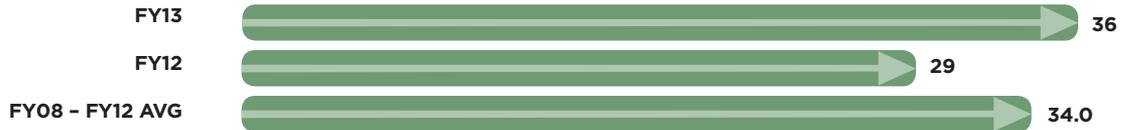
### START PENDING



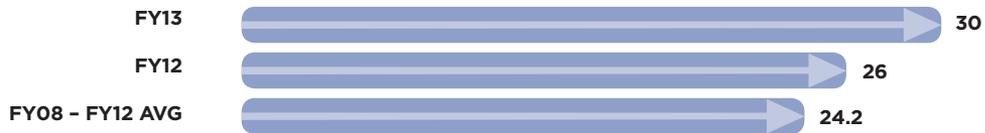
### CASES DOCKETED



### CASES CLOSED



### END-PENDING



## ARBITRATION

**ROLAND WATKINS, DIRECTOR**

The Office of Arbitration Services manages arbitration of grievance disputes over existing collective bargaining agreements per statutory authority under “Section 3” of the Railway Labor Act (RLA). The RLA provides for both Grievance Arbitration and Interest Arbitration in the airline and railroad industries.

## ARBITRATION OVERVIEW

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### Grievance Arbitration

Grievance Arbitration is a process for resolving disputes regarding the interpretation or application of an existing collective bargaining agreement. Grievances, known as “minor disputes” under the RLA, must be handled through Grievance Arbitration if not otherwise resolved, and cannot be used by the parties to trigger self-help actions.

The NMB has significant administrative responsibilities for the three types of grievance arbitration in the railroad industry. These types include those of the National Railroad Adjustment Board as well as arbitration panels established directly by the labor-management parties at each railroad: Public Law Boards and Special Boards of Adjustment. Grievance Arbitration in the airline industry is accomplished at the various System Boards of Adjustment created jointly by labor and management at the parties’ expense.

The NMB furnishes panels of prospective arbitrators for the parties’ selection in both the airline and railroad industries. [A request to be placed on the NMB Roster of Arbitrators may be obtained from the Board’s web site at [www.nmb.gov](http://www.nmb.gov). See Forms on the Documents page.] The NMB also has substantial financial responsibilities for railroad arbitration proceedings in that it pays the salaries and travel expenses of the arbitrators. Grievance Arbitration decisions under the RLA are final and binding with very limited grounds for judicial review.

### Interest Arbitration

Interest Arbitration is a process to establish the terms of a new or modified collective bargaining agreement through arbitration, rather than through negotiations. Although the RLA provides an effective process for Interest Arbitration, its use is not statutorily required.

The NMB offers the parties the opportunity to use binding Interest Arbitration when the Agency has determined that further Mediation efforts will not be successful. In addition, the parties may directly agree to resolve their collective bargaining dispute or portions of their dispute through Interest Arbitration.

The NMB generally provides the parties with panels of potential arbitrators from which they select an individual to resolve their dispute; in some instances however, the parties agree to allow the NMB to directly appoint an arbitrator. Interest Arbitration decisions are final and binding with very narrow grounds for judicial appeal.

## ARBITRATION HIGHLIGHTS

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The Office of Arbitration Services directed its attention to promoting a more efficient Section III process, thereby fostering faster resolution of minor disputes (grievances). The NMB made a well-received move in this regard during FY 2013 by targeting the backlog of grievance arbitration cases for resolution and increasing the number of arbitrators available to hear and decide cases and introducing more technology to the administrative processing of cases with its arbitrators. The estimated 4,328 cases pending at the end of FY 2013 is 2,244 more than cases pending at the end of FY 2012. The increase is attributed to the recently concluded national round of bargaining among the Class I freight railroads which has caused the filing of more grievances concerning the applicability of certain provisions of the agreement.

The NMB Arbitration program continued its efforts to modernize the processing of minor disputes. The agency improved its already successful program of using the NMB website as a source for many of the forms and documents needed by arbitrators and the parties. In January 2013, the NMB reviewed the Arbitrators Workspace which has been in operation for a year. The Arbitrators Workspace is a web based information system which give arbitrators online access to their case information. This system is used by the arbitrators to request work and submit requests for compensation for work. The Arbitrators Workspace replaced numerous hard-copy forms.

The level of grievance activity handled through the NMB Arbitration program increased as compared to the activity in FY 2012. During FY 2013, the parties brought 6,576 cases to arbitration compared to 3,569 cases in FY 2012. In FY 2013, 4,332 cases were closed compared to 3,869 in FY 2012, leaving 4,328 cases pending at the end of FY 2013.

On several occasions during the fiscal year, the Agency met with representatives from the labor organizations and carriers to review its caseload. Carriers included Canadian National Railroad, Norfolk Southern Corporation, Union Pacific Railroad, Burlington Northern Santa Fe, Kansas City Southern Railway and CSX Transportation. The Office of Arbitration Services met with all of the labor organizations representing employees in the railroad industry. NMB efforts have been directed to facilitating a more efficient Section III process under the RLA, thereby reducing the backlog and furthering the RLA objective of prompt resolution of minor disputes.

The NMB continued its efforts designed to improve the arbitration of grievances under Section III of the Railway Labor Act. The Board had five ambitious goals for this transformation: (1) to ensure that the parties receive timely and outstanding arbitration services from the Board's staff and its contract arbitrators; (2) to ensure that the Board uses e-business capabilities to the maximum extent possible; (3) to ensure that Board procedures are improved through a rulemaking process involving public input; (4) to ensure that arbitrators schedule, hear, and decide cases in a timely manner; and (5) to ensure that NMB resources are used wisely and in accordance with Federal regulations and sound accounting practices.

## Annual Case Audit

In March 2013, the NMB conducted an intensive audit of all cases pending before the NRAB. The results of the audit allowed the NMB to update the status of its cases pending at the NRAB.

In June 2013, the NMB conducted an intensive audit of all cases pending cases before Public Law boards and Special Boards of Adjustment. The Agency provided the Class-I freight railroads, commuter railroads, regional railroads and all labor organizations representing railroad employees with a list of cases pending on these boards. The feedback from the audit enhanced the accuracy of the NMB case management system.

## Alternative Dispute Resolution in the Railroad Industry

The NMB actively promoted grievance mediation as an alternative means of dealing with grievances in the railroad industry by reaching out to the largest Class-I freight carriers and the labor organizations. During FY 2013, Arbitration Services made presentations at a meeting of Class-I freight railroads and the labor organizations. The NMB anticipates continuing this initiative during FY 2014.

## Arbitrator Productivity

The NMB continued its efforts to increase arbitrator productivity as a result of changing the six-month rule to a three month rule. Arbitrators who have not issued a decision within three months of a hearing are contacted monthly and encouraged to issue those decisions.

The Agency improved its already successful program of using the NMB website as a source for many of the forms and documents needed by arbitrators and the parties. The NMB used the website to keep the parties and the public informed regarding Section III activities. Arbitrators, parties, and the public use the website to obtain information and forms instantaneously. In FY 2014, the agency will post an improved Arbitrators Caseload Report on the NMB website. The report shows by arbitrator, grievance cases of railroad employees the parties have chosen to pursue. It also indicates whether a case is late (i.e., a decision has not been rendered within 3 months of when a case was heard by the arbitrator). The Arbitrator Caseload Report is real-time in that it has a direct link to an NMB database reflecting updates as they are made by Arbitration Services staff. The availability of information on the website reduces the staff time which ordinarily would be required to respond to questions and requests. The NMB has also placed an NMB NRAB Open Case Report on the website. This report lists all of the open cases at the NRAB. With this report and the Arbitrators Caseload Report, the NMB's entire Section III caseload is on the NMB website ([www.nmb.gov](http://www.nmb.gov)).

## Aged Cases

In March 2013, the Board commenced a review of all open cases on Public Law Boards and Special Boards of Adjustment which were two years and older. In previous years, the NMB reviewed cases three years and older. The Board worked with the parties to obtain the status of the cases and to encourage the parties to either settle the cases or schedule the cases for hearing. As a result, the Board was able to close the overwhelming majority of these cases and have the remaining few scheduled for hearings. With the exception of the few scheduled for hearings, the Board was able to clear its records of all cases over two years.

The Board contacted the NRAB to obtain the status of their cases over three years. This project is ongoing and will lead to the reduction of the old cases at the NRAB in fiscal year 2014.

## Pay Per-case Project

The NMB expanded a project in which arbitrators were paid on a per-case basis, instead of the normal per-day compensation.

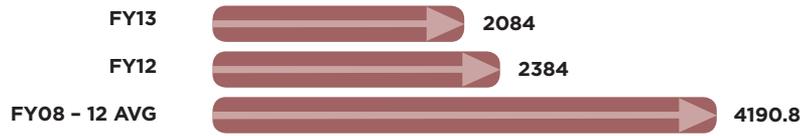
The National Mediation Board continued its efforts to further reduce the backlog of cases. The NMB now defines the administrative backlog as all cases over two years. At the end of FY 2013, approximately 96 percent of the pending cases on public law boards and special boards of adjustment were less than two years.

## Knowledge Store

The NMB further expanded its use of technology at the NRAB. All NRAB awards are entered into the Knowledge Store at the same time that they are distributed to the parties. Parties have been trained to and now enter awards into the Knowledge Store. In some instances, valid awards are entered within 24 hours of completion.

## ARBITRATION CASES

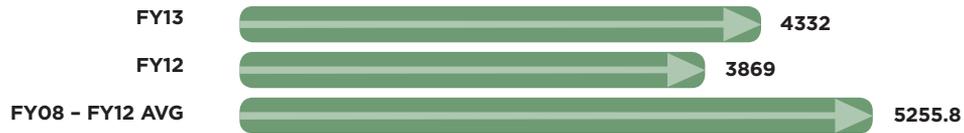
### START PENDING



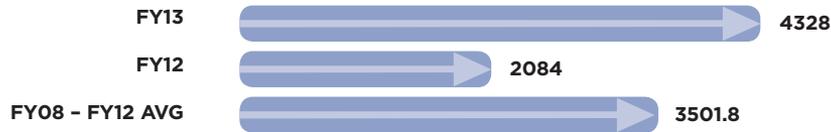
### CASES DOCKETED



### CASES CLOSED



### END-PENDING



## ADMINISTRATION

**JUNE D.W. KING, DIRECTOR**

The Office of Administration facilitates NMB achievement of internal strategic goals and government-wide initiatives.

## ADMINISTRATION OVERVIEW

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The Office of Administration (OA) provides operational management, leadership and support for the entire agency. These services include: strategic planning and budgeting; accounting and finance; human resources management; procurement and contracting; information technology management and telecommunications; property and space management; and office support.

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## ADMINISTRATION HIGHLIGHTS

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### Human Capital

As the NMB moves to take advantage of online services in the personnel arena, the agency is increasing efficiency and effectiveness, the results of which can be seen in the agency hiring process. For internal posting, the NMB routinely completes the hiring process within 30 days. In cases involving delegated examining positions, the NMB continues to show movement toward the 80 day standard.

The NMB continues to use the E-verify system to ensure that all new appointees are eligible to work. In addition, we conduct three individual surveys for all new hires to assess their intake experience. The results help to improve the training and orientation process for not only the new hires but also as a refresher for our current staff.

Succession planning continues to be challenging for the NMB. The agency size (51 employees when fully staffed) dictates that most of the staff are in "single incumbent" positions: i.e., each employee is the primary provider of a specific service or skill. To address succession planning in this environment, the NMB has adopted three strategies. First, the agency engages in cross-training for all positions, so that vacancies or temporary vacancies can be filled by other NMB staff. Second, the training plans, both through the IDP's and the department training plans, stress career development, including details and shadow assignments, as a way to broaden skills and prepare for job transitions. Third, the agency uses internal details when possible to broaden skills and give staff exposure to a range of work possibilities within the agency.

The NMB is working with the Office of Personnel Management and the Department of Interior to improve its human capital operations and payroll. This will continue the NMB's objective of providing all its services electronically.

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### Information Technology

In accordance with the NMB's Capital Planning Plan, the NMB reviewed options for its information technology equipment while taking steps to move into cloud computing. The NMB has implemented Google Mail, Google Drive and Google Calendar, eliminating the majority of on-site servers. The NMB is in the process of moving the NMB's Corporate Memory and Knowledge Store to a cloud platform consistent with government requirements.

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### Continuity of Operations

The NMB participated in the Eagle Horizon 2013 National Level Exercise which included a tabletop exercise to test readiness to exercise objectives related to alert and notification, communications, devolution of control and authority, and reconstitution. Eagle Horizon 2013 is an internally evaluated exercise focusing on reviewing basic continuity procedures, as well as improving understanding of devolution, extended operations, and reconstitution concepts. As part of this exercise, the NMB identified program strengths and areas for improvement.

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### Financial Performance

In May 2013, the NMB transitioned from the GLOWS accounting system to an Oracle financial management system under an interagency agreement with the Bureau of Public Debit (BPD). The NMB has entered into an agreement with the BPD to improve our financial reporting and processing by moving to a newer and more robust online platform, managed for the NMB under contract by BPD. This agreement will place at our fingertips up-to-date financial information that can be used to make efficient financial decisions.

The Office of Administration provides budget planning, budget development, and oversight of budget execution. In addition, OA is responsible for the maintenance of the Agency's core accounting system; financial reporting to the Office of Management and Budget (OMB) and Treasury; payments to vendors for goods and services received; issuing bills; and the preparation of the Agency's financial statements which are audited on an annual basis.

The NMB continues to work with an outside firm to audit its financial statements. For the sixteenth consecutive year, Allmond & Company reported that the financial statements were presented fairly, in all material respects, and in conformity with U.S. generally accepted accounting principles (GAAP) for Federal agencies. With the lapse in funding, the deadline for the audited financial statements was revised. Once completed, the FY 2013 audit report will be included in the NMB Performance and Accountability Report which will be posted on the agency's website at [www.nmb.gov](http://www.nmb.gov). A material weakness initially identified in the FY 2011 report was reduced to a significant deficiency, and with the implementation of new processes and procedures in arbitration, this deficiency has been eliminated.

## Procurement

With the new partnership with the BPD, in May 2013 the NMB began utilizing PRISM to electronically create requisitions, purchase orders, and inter-agency agreements. This system along with new processes and procedures is ensuring that the NMB complies with the applicable rules and regulations governing contracting.

## Travel

In July 2013, the NMB transitioned to Concur Government Edition (CGE) Travel Services. CGE is an electronic online system which will reduce the per ticket cost for travelers. This system provides an electronic process for authorization, vouchers, and reimbursement.

## Electronic Government

The NMB provides electronic access to all its policies, and the agency continues to use the NMB website to provide information to its internal and external customers. The website provides access to our internal customers by allowing them to access NMB internal forms, the Knowledge Store (providing current and historical information to the public and our external customers), and the NMB Lyceum.

## NMB Corporate Memory

In FY 2013, the NMB continued to refine its records and document management program, improving the search engine and further integrating the records database with the agency case management system.

## NMB Knowledge Store

NMB staff continued to build and improve the public archive of information available through the NMB Knowledge Store. Currently, the NMB Knowledge Store contains over 100,000 documents in an easily searchable format, including arbitration awards, representation decisions, annual reports, PEB reports, and collective bargaining contracts. During FY 2013, the NMB completed development of a new Knowledge Store interface that speeds recovery of documents and frees the data to reside in the new cloud environment being created by the agency.

## Sustainability

The National Mediation Board is committed to reducing greenhouse gases in accordance with Executive Order 13514 (E.O.). During this year, 63 percent of the NMB employees regularly used public transportation. The Agency provides Alternative Work Schedules (AWS) and Telework programs to its employees to reduce the number of commuters. Currently, 37 out of 49 employees participate in the Smart Benefits program for public transportation. We also purchased new environmentally efficient copiers that generate 90 percent less waste than traditional copiers.

## PERFORMANCE PLAN AND RESULTS (GPRA)

This report contains FY 2013 accomplishments of the National Mediation Board relating to goals and objectives for Mediation and Alternative Dispute Resolution; Representation; Arbitration; and Administration. These accomplishments enabled the NMB to meet its statutory obligations and provide services to its airline and railroad labor, management and public customers.

## PERFORMANCE AND GOALS

### Strategic Plan General Goal 1

#### Mediation and Alternative Dispute Resolution

### Mediation and Alternative Dispute Resolution (ADR) will continue to foster the prompt and peaceful resolution of collective bargaining disputes in the airline and railroad industries.

- 01 — Continue to develop standard training for mediators to ensure they are kept abreast of the latest trends in mediation and gain additional industry and technical knowledge in both air and rail.

**FY 2013 Accomplishment:** Through the use of Individual Development plans each mediator participated in training and development that met their individual needs. In addition, training covering industry specific topics, and guest speakers, was conducted during the bi-monthly mediator meetings. Partnerships with universities such as Dominican University and Cornell provided valuable and specialized training for NMB employees.

- 02 — Improved processes to track the history of cases. Work with Arbitration and Representation to revise and improve the agency case management system.

**FY 2013 Accomplishment:** We continued to fine tune the capabilities of and information tracked in the case management system. New specialty reports to help in workload planning and historical research were developed and used. Revising the case management system and software is well underway and continues to be a high priority project.

- 03 — Expand ADR capabilities to address the changing labor environment in the airline and railroad industries and provide more varied assistance in dispute resolution both in-between and during contract negotiations.

A. Continue to utilize partnerships with institutions of higher learning to improve, integrate and expand ADR process development and training.

**FY 2013 Accomplishments:** ADR continued to engage in outreach and promotion efforts with parties in the airline and railroad industries. The result of these efforts was a continued case-load requiring special dispute resolution efforts, and ADR/ODR presentations to carriers, organizations, and professional associations as well as to intra-government agencies. Again, the university partnerships listed above continued to provide positive and cost effective training opportunities.

B. Review ADR services for potential deletions, additions, or changes.

**FY 2013 Accomplishments:** Each year ADR Services reviews its programs, assessing existing training and service delivery. The NMB expanded the Lyceum, an online learning resource that helps reduce travel costs for GM training. Working with Arbitration, ADR staff increased its promotion of expedited arbitration coupled with grievance mediation as an option for the parties. ADR also completed a video project in collaboration with the Air Line Pilots Association (ALPA) that provides a simulation of grievance mediation. The video is shown at face-to-face trainings and is accessible on the NMB Lyceum, linked from [www.nmb.gov](http://www.nmb.gov).

- 04 — Pursue interagency projects, including personnel exchange programs, to enhance labor management relations throughout the airline and railroad industries.

**FY 2013 Accomplishments:** ADR Services continued to actively participate in the Interagency ADR Working Group to promote ADR in government. As a part of this effort, ADR Services collaborated with and provided training to other government agencies such as the DOT's Federal Railroad Administration.

**Strategic Plan**  
**General Goal 2**  
Representation

- 05**  
— Engage in outreach and education programs to ensure that the NMB is seen as a world leader in airline and railroad labor-management issues and submit proposals for presentations at dispute resolution conferences.

**FY 2013 Accomplishments:** ADR staff members were involved in presentations to: the Association for Conflict Resolution, the Dispute Resolution Section of the American Bar Association, the Interagency Dispute Resolution Working Group Steering Committee, American Law Institute and Continuing Legal Education (ALI-CLE formerly ALI-ABA), the International Online Dispute Resolution Forum, and numerous other dispute resolution and legal organizations.

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**The Office of Legal Affairs (OLA) will promptly investigate representation disputes and definitively resolve representation status for collective bargaining purposes, using the most efficient and client-friendly methods available.**

- 01**  
— Expand the use of electronic systems to further streamline and reduce cost; continue to integrate Representation data into the agency Corporate Memory; and work with ICT to develop an electronic system for Freedom of Information Act (FOIA) requests.

**FY 2013 Accomplishment:** OLA primarily accepts electronic submissions in representation cases. OLA started accepting jurisdictional referrals from the National Labor Relations Board electronically. Implemented an electronic system for FOIA requests.

- 02**  
— Develop outreach opportunities in the legal, labor relations and alternative dispute resolution communities. Submit proposals for participation in conferences sponsored by the American Bar Association (ABA). Develop appropriate CLE and other training opportunities for RLA practitioners.

**FY 2013 Accomplishment:** OLA continued its outreach to the legal, labor relations and alternative dispute resolution communities. OLA attorneys helped plan the agenda for the ABA Railroad and Airline Labor Law Section's Mid-winter meeting; participated in a panel at the National Academy of Arbitrators Annual Meeting; planned and participated in the ABA's Labor and Employment Section's Annual CLE Meeting; planned and participated in the Association of Labor Relation Agencies' Annual Conference and Advocate's Day; and contributed to a three-day Continuing Legal Education seminar on the Railway Labor Act sponsored by ALI-CLE.

- 03**  
— Implement and maintain concise, relevant reference materials and make them readily available to the public, thereby reducing the number of work-hours used to research and respond to inquiries; update and improve the material available on the NMB web site; and revise NMB's Representation Manual.

**FY 2013 Accomplishment:** OLA Attorneys completed working on a "pocket part" supplement updating the 3rd Edition of the authoritative treatise on Railway Labor Act Law published by the Bureau of National Affairs. OLA attorneys updated the NMB's Representation Manual and website as a result of changes to the Board's voting process and changes to the Board's procedures.

## Strategic Plan General Goal 3

### Arbitration

#### **Arbitration will promote the prompt and orderly resolution of grievance disputes in the railroad and airline industries.**

- 01**  
— Modernize and update procedures related to NRAB Section-3 cases and other arbitral forums (public law boards and system boards of adjustment). Conduct a business process review of NRAB case handling.
- FY 2013 Accomplishment:** An audit was conducted of the NRAB administrative caseload processes, and procedures governing public law boards and system boards of adjustments, were reviewed with the goal of streamlining procedures. Grievance mediation was introduced to successfully resolve several aged cases at the NRAB.
- 02**  
— Foster a “best practices” approach to managing the contract-arbitrator roster. Move arbitrator roster information to a new case management system. Improve the guidelines for accepting applicants to the roster and retaining competent arbitrators.
- FY 2013 Accomplishment:** The NMB instituted a project to improve the Roster of Arbitrators. An NMB Arbitrators’ Caseload Report was modified for FY 2014 on the NMB website, along with the official Roster of Arbitrators.
- 03**  
— Foster a “best practices” approach to managing arbitrator billing and payment. Investigate and develop a more equitable and efficient arbitrator billing process.
- FY 2013 Accomplishment:** The NMB initiated and implemented several special compensation projects, establishing more boards in which arbitrators were paid on a per-case basis with an increase in compensation for online arbitration. These projects will be evaluated in FY 2014. NMB also implemented the Arbitrators’ Workspace which improved the billing and payment process.
- 04**  
— Integrate current technology into the arbitration process. Continue to integrate Arbitration business processes into the NMB Corporate Memory program. Cooperate with Mediation/ADR and Representation to improve the agency case-management system. Continue to encourage the parties to use the agency’s web-based video-conferencing system to reduce costs for arbitration hearings and adoption conferences.
- FY 2013 Accomplishment:** The NMB trained several arbitrators, railroad management officials and labor officials in the use of Online Video Conferencing, and several hearings were conducted using OVC during Fiscal Year 2013.

**Strategic Plan  
General Goal 4**  
Administration

**Provide efficient and responsible stewardship of the NMB's fiscal and human resources.**

- 01**  
Recruit, retain and develop a highly skilled, motivated and diverse workforce that advances NMB's mission and embraces its core values; increase staff development and training; and increase outreach activities to recruit a diverse candidate pool.
- FY 2013 Accomplishment:** The NMB centralized the training fund, which has increased the number of training opportunities while reducing total cost. The Chief of Staff approves all training requests. With the centralization, we are able to see all training being requested, monitor compliance with IDP's and department training plans, and ensure that training goals are being met in the most cost effective way. The NMB continues to offer training courses for our employees through the small agency council partnership. The agency also built relationships with major universities (such as Dominican University) where free and discounted training courses for our employees are offered. We will continue to look for innovative ways to offer training to our employees to help them develop the necessary skills for them to remain successful in their fields.
- 02**  
Embrace prudent outsourcing to enhance capabilities in human resources, budget, and finance.
- FY 2013 Accomplishment:** The NMB completed its migration to the Bureau of Public debt to handle the agency's financial management system and integrated PRISM(a web based procurement system) into its procurement process. During the next fiscal year, the NMB will investigate transitioning its human resources processing to a cross servicing agency, which will allow for total electronic processing.
- 03**  
Embrace cloud options for agency ICT functions, including e-mail and agency records and documents.
- FY 2013 Accomplishment:** The NMB completed its transition into the cloud environment for e-mail, calendars, contacts, and records. With this change, the NMB eliminated the majority of its in-house servers and made possible a revision and reduction in price of its network support contract.



# REPRESENTATION & PRESIDENTIAL EMERGENCY BOARDS

37 Representation  
43 Presidential  
Emergency Boards



## REPRESENTATION AND PEBS

**MARY JOHNSON, DIRECTOR**

The Office of Legal Affairs investigates representation issues; conducts elections for the purpose of determining collective-bargaining representatives in the airline and railroad industries; and oversees post-mediation activities that lead or may lead to the establishment of Emergency Boards by the President of the United States (PEBs). The General Counsel also serves as legal counsel for the NMB.

## REPRESENTATION OVERVIEW

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Under the Railway Labor Act (RLA), employees in the airline and railroad industries have the right to select a labor organization or individual to represent them for collective bargaining. Employees may also decline representation. An RLA representational unit is “craft or class,” which consists of the overall grouping of employees performing particular types of related duties and functions. The selection of a collective bargaining representative is accomplished on a system-wide basis, which includes all employees in the craft or class anywhere the carrier operates in the United States. Due to this requirement and the employment patterns in the airline and railroad industries, the Agency’s representation cases frequently involve numerous operating stations across the nation. [An application for a representation investigation may be obtained from the Agency’s web site at [www.nmb.gov](http://www.nmb.gov).]

If a showing-of-interest requirement is met, the NMB continues the investigation, usually with a secret Telephone/Internet election. Only such employees that are found to be eligible to vote by the NMB are permitted to participate in such election. The NMB is responsible for determining RLA jurisdiction, carrier status in mergers, and for ensuring that the requirements for a fair election process have been maintained without “interference, influence or coercion” by the carrier. If the employees vote to be represented, the NMB issues a certification of that result which commences the carrier’s statutory duty to bargain with the certified representative.

In many instances, labor and management raise substantial issues relating to the composition of the electorate, jurisdictional challenges, allegations of election interference, and other complex matters which require careful investigations and ruling by the NMB.

## REPRESENTATION HIGHLIGHTS

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### Federal Aviation Administration Modernization and Reform Act of 2012

The NMB Office of Legal Affairs (OLA) continues to operate at a high level of quality and efficiency. As a review of customer service and performance standards will attest, the Agency's Representation program consistently achieves its performance goals, delivering outstanding services to the parties and the public.

The OLA staff closed 35 cases and also docketed 35 cases during the year. With the Agency resources requested for 2014 and 2015, it is estimated that 53 representation cases will be investigated and resolved in each year.

In December 2012, the NMB published its Final Rule in the Federal Register and on the NMB website to amend its existing rules for handling representation disputes to conform to and incorporate amendments to the RLA contained in the Federal Aviation Administration Modernization and Reform Act of 2012.

In May 2012, during FY 2012, the NMB published a Notice of Proposed Rulemaking (NPRM) in the Federal Register proposing changes to the existing regulations pertaining to run-off elections, showing of interest for representation elections, and the NMB's rulemaking proceedings. The Board also held a public hearing on June 19, 2012. The Board accepted comments on the proposed rule changes until August 6, 2012. The overwhelming majority of the substantive comments addressed the applicability of the amended statutory language in Section 2, Twelfth, requiring a showing of interest of not less than 50 percent to support an "application requesting that an organization or individual be certified as the representative of any craft or class of employees," to representation disputes involving mergers of carriers.

In the Final Rule, the Board stated that Congress, by enacting Section 2, Twelfth, intended to apply the same 50 percent showing of interest requirement in all representation disputes under the RLA. Thus, any application seeking the Board's investigation of a representation dispute under Section 2, Ninth must be supported by a showing of interest of not less than 50 percent. This includes representation disputes arising from the merger of carriers.

In discussing the substantive comments received during the rulemaking, the Board also noted that the Board's policy in merger situations that existing certifications remain in effect until the NMB issues a new certification or a dismissal is not inconsistent or in conflict with the new statutory language of Section 2, Twelfth. The Board noted that the showing of interest in a representation dispute is a threshold requirement that enables the Board to determine whether or not there is sufficient interest among employees to justify holding an election without the needless expenditure of Government time, efforts, and funds. In Section 2, Twelfth, Congress has simply decided that the Board should require the same 50 percent showing of interest in all representation disputes before proceeding to an election in which the majority of employees participating in the election will choose their representative in accordance with Section 2, Fourth. The fact that, in the interest of stability, the Board requires that existing certifications remain in effect until the representation dispute is resolved does not impair the Congressional intent. The representation dispute will end with employees in the merged craft or class casting ballots for or against representation and the choice of the majority of votes cast in that election will prevail.

Under the RLA, the selection of employee representatives for collective bargaining is accomplished on a system-wide basis. Due to this requirement and the employment patterns in the airline and railroad industries, the Agency's representation cases frequently involve numerous operating stations across the nation. In many instances, labor and management raise substantial issues relating to the composition of the electorate, jurisdictional challenges, allegations of election interference, and other complex matters which require careful investigations and ruling by the NMB.

## NMB Procedures and Voting Instructions

On March 11, 2013, the Board issued a Notice regarding changes to the NMB's procedures as reflected by its May 15, 2012 NPRM and December 21, 2012 Final Rule. The Board stated that in response to amendments to the RLA it had amended its regulations pertaining to representation elections and run-off elections. NMB Rule 1206.2 changed the showing of interest requirements to 50 percent for all applicants. This change was also reflected in the NMB's Representation Manual (Manual) Sections 3.601 and 19.601. Manual Section 19.601 was also amended to provide that organizations have additional time to submit evidence of or to supplement the showing of interest. NMB Rule 1206.1 changed procedure in run-off elections to provide that in the event a run-off election is authorized by the Board, the names of the two options which received the highest number of votes cast in the first election shall be placed on the run-off ballot and there will be no write-in option. The changes to the run-off election procedure were reflected in Manual Section 16.0.

The Notice also clarified the Board's preponderance policy in Manual Section 9.212 to clarify that the Investigator will perform a preponderance check, will specify the time period for the check, and will inform the participants of the specific documentation required for consideration of whether employees who perform work in more than one craft or class are eligible to vote. Manual Section 2.4 was amended to require a carrier attestation of the accuracy of the List of Potential Eligible Voters.

Finally, the Notice stated that effective March 25, 2013, the Board's voting system for representation elections would be modified so that voters cast their vote using one confidentially randomly generated twelve digit Access Code, instead of a Voter Identification Number (VIN) and a Personal Identification Number (PIN). This change was made to simplify the voting process while maintaining the highest levels of confidentiality and security.

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## Case Summaries

Representation disputes involving large numbers of employees generally are more publicly visible than cases involving a small number of employees. However, all cases require and receive neutral and professional investigations by the Agency. The NMB ensures that the employees' choices regarding representation are made without interference, influence or coercion. The case summaries that follow are examples of the varied representation matters which were investigated and resolved by the NMB during FY 2013.

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### American Airlines/CWA

This representation dispute began in FY 2012 but was not resolved through a representation election until FY 2013. As discussed, the case presented issues involving the impact of the Federal Aviation Administration Modernization and Reform Act of 2012 amendments on pending representation cases. On December 7, 2011, the Communications Workers of America (CWA) filed an application seeking to represent the craft or class of Passenger Service Employees on American Airlines (American). At the time the application was filed, the employees in the craft or class were unrepresented. The application was filed prior to the passage of the Federal Aviation Administration Modernization and Reform Act of 2012 and the requirement of a 50 percent showing of interest to authorize an election. The election, however, was not authorized until after the 50 percent showing of interest became law.

Following a lengthy challenge and objection period, on April 19, 2012, the Board authorized an election among the Passenger Service Employees on American. On April 23, 2012, American filed a Motion for Reconsideration of the Board's April 19, 2012 decision to authorize an election among American's Passenger Service Employees. American Airlines, Inc., 39 NMB 341 (2012). American asserted that the Board was required to impose the 50 percent showing of interest requirement to the CWA's application. On May 3, 2012, the Board held that American's Motion failed to demonstrate a material error of law of fact or circumstances on which the Board's exercise of discretion to modify the decision was important to the public interest. Specifically, the Board stated that both CWA and American relied on the 35 percent

showing of interest requirement in place at the time of application, as dictated by the Board's Rules, Manual, and over 60 years of case law, and the Board's decision to apply the 35 percent showing of interest requirement was based on the authorization cards submitted by the cut-off date. The Board declined to grant American's request that the Board seek the advice of the Attorney General of the United States, finding that such action would unnecessarily delay the representation election. Finally, the Board denied American's request to suspend the election.

On May 2, 2012, American filed a complaint in the United States District Court for the Northern District of Texas, seeking a declaratory judgment that the NMB erred in applying the 35 percent showing of interest standard to the CWA's application and stated that American intended to defer compliance with the Board's request that it submit mailing labels pending resolution of the court action.

On May 15, 2012, the CWA filed mailing labels for the Board's use in conducting the election. The CWA also requested that the Board require American to post any instructions regarding the voting process at all job locations and that the Board extend the voting period. The Carrier responded on May 22, 2012, stating that the NMB should reject the CWA's mailing labels and not proceed with an election until after the Court ruled. Both the CWA and the Carrier filed additional responses.

On May 17, 2012, the NMB filed a motion to dismiss for lack of subject matter jurisdiction, stressing the well-established rule that the Board's actions in representation disputes under the RLA are subject to judicial review only in the rarest of circumstances. *Leedom v. Kyne*, 358 U.S. 184, 188-90 (1958).

On June 6, 2012, the Board set new election dates and stated its policy to resolve representation disputes expeditiously unless the Board finds it necessary to delay due to unusual or complex issues or is barred by Court order. The Board also noted that the mere filing of a motion seeking declaratory judgment does not halt the Board's proceedings. The Board stated that since American did not request a stay, nor did the Court issue a stay, the Board did not find it necessary to further delay the election. Furthermore, the Board exercised its authority pursuant to 45 U.S.C. § 152, Ninth, to "utilize any appropriate method" and stated that it would proceed with the election using the mailing labels provided by the CWA.

On June 11, 2012, American sought a temporary restraining order and a preliminary injunction. On June 13, 2012, the United States District Court for the Northern District of Texas denied the Board's motion to dismiss the complaint, granted American's motion for a temporary restraining order, and calendared a consolidated hearing on American's motion for a preliminary injunction and a trial on the merits for June 21, 2012.

The District Court held the hearing on American's request for declaratory and injunctive relief on June 21, 2012. On June 22, 2012, the District Court issued an Opinion and Order granting American both declaratory relief and a permanent injunction barring the NMB from applying the 35 percent showing of interest standard in the instant case. On that same date, the court issued a corresponding final judgment and order denying the NMB's request for a stay pending appeal.

The NMB appealed the Order and on July 13, 2012, the United States Court of Appeals for the Fifth Circuit granted the NMB's motion to expedite the appeal. On October 3, 2013, almost immediately following oral argument, the Fifth Circuit held that the district court had erred in exercising jurisdiction since the *Leedom v. Kyne* exception is not applicable "on the facts of this case." Accordingly, the court vacated the district court's judgment in its entirety and remanded the case to be dismissed for lack of subject matter jurisdiction.

Following the Fifth Circuit's decision, an election was conducted among the employees in the craft or class of Passenger Service Employees at American. The tally showed that a majority of valid votes were cast for no representation and the Board issued a dismissal on January 16, 2013. *American Airlines*, 40 NMB 112 (2013).

## United Airlines/ TWU/IBT

On May 31, 2012, the Transport Workers Union (TWU) filed an application requesting that the NMB investigate whether United Air Lines (United), Continental Airlines (Continental), and Continental Micronesia (CMI) are operating as a single transportation for the craft or class of Flight Simulator Technicians. At the time the application was filed, these employees were represented by TWU at pre-merger Continental and by the International Brotherhood of Teamsters at pre-merger United. The functions of Flight Simulator Technicians at CMI were performed by Continental employees. On January 15, 2013, the Board found in United Air Lines/Continental Airlines, 40 NMB 93 (2013) that United, Continental and CMI comprised a single transportation system for the craft or class of Flight Simulator Technicians based on its investigation, including the submissions from the participants.

On September 13, 2012, IBT filed an application in a single transportation system case involving the craft or class of Mechanics and Related Employees at United, Continental, and CMI. IBT represented the employees in the craft or class at both pre-merger United and pre-merger Continental. On May 15, 2013, the NMB found a single transportation system for the craft or class of Mechanics and Related at United, Continental, and CMI. United Air Lines/Continental Airlines, 40 NMB 205 (2013). In that decision, the Board also addressed craft or class issues and noted that Flight Simulator Technicians part of the Mechanics and Related Employees craft or class at pre-merger United are properly part of the Flight Simulator Technicians craft or class at the merged United. United Air Lines/Continental Airlines, 40 NMB 93, 106 (2013).

On June 18, 2013, the Board notified IBT, TWU and United that unusual circumstances warranted waiving the time limits for supplementing the showing of interest and intervening following the single carrier determination in the Flight Simulator Technician case. United Air Lines/Continental Airlines, 40 NMB 226 (2013). After noting that it had not received an application supported by a 50 percent showing of interest, that confusion may have resulted from the rule change and the fact that this was among the first cases filed following the amendments to the RLA and the Board's rulemaking, the Board stated that it would accept an application supported by the requisite showing of interest for 30 days from the date of this determination. This waiver would in the Board's view fulfill its obligation to determine the representative of the Flight Simulator Technicians. The Board also stated that "[t]his determination serves as a reminder that the Board is unable to authorize an election following a merger unless it receives an application supported by a 50 percent showing of interest. If the initial applicant has an insufficient showing of interest, the Board will dismiss the application unless an incumbent or intervener files an application." 40 NMB at 226.

On June 20, 2013, the IBT filed an application. On August 1, 2013, the Board authorized an election among Flight Simulator Technicians at the merged carrier. Since TWU, the incumbent organization at pre-merger Continental did not meet the showing of interest requirements; TWU would not appear on the ballot.

## REPRESENTATION CASES

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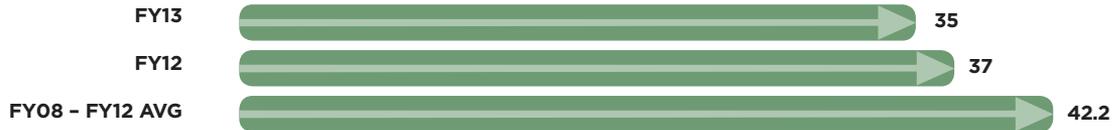
### START PENDING



### CASES DOCKETED



### CASES CLOSED



### END-PENDING



## **PRESIDENTIAL EMERGENCY BOARDS (PEBS) OVERVIEW**

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Section 159A (Section 9A) of the Railway Labor Act (RLA) provides special, multi-step emergency procedures for unresolved collective-bargaining disputes affecting employees on publicly funded and operated commuter railroads. Section 160 (Section 10) of the RLA covers all other railroads and airlines.

When the National Mediation Board determines that a collective-bargaining dispute cannot be resolved in mediation, the agency proffers Interest Arbitration to the parties. Either labor or management may refuse the proffer and, after a 30-day cooling-off period, engage in a strike, implement new contract terms, or engage in other types of economic Self Help, unless a Presidential Emergency Board is established.

If the NMB determines, pursuant to Section 160 of the RLA, that a dispute threatens substantially to interrupt interstate commerce to a degree that will deprive any section of the country of essential transportation service, the NMB notifies the President. The President may, at his discretion, establish a PEB to investigate and report respecting such dispute.

Status-quo conditions must be maintained throughout the period that the PEB is impaneled and for 30 days following the PEB report to the President. If no agreement is reached, and there is no intervention by Congress, the parties are free to engage in self-help 30 days after the PEB report to the President.

Apart from the emergency board procedures provided by Section 160 of the RLA, Section 159A (Section 9a) provides special, multi-step emergency procedures for unresolved disputes affecting employees on publicly funded and operated commuter railroads. If the Mediation procedures are exhausted, the parties to the dispute or the Governor of any state where the railroad operates may request that the President establish a PEB. The President is required to establish such a board if requested. If no settlement is reached within 60 days following the creation of the PEB, the NMB is required to conduct a public hearing on the dispute. If there is no settlement within 120 days after the creation of the PEB, any party or the Governor of any affected state, may request a second, final-offer PEB. No Self-Help is permitted pending the exhaustion of these emergency procedures.

## **PEB HIGHLIGHTS**

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No Presidential Emergency Boards were established during fiscal year 2013.



# RAILROAD GRIEVANCE ARBITRATION

- 46 NRAB Members  
and Referees
- 47 Section 3 Tribunals
- 49 Online Arbitration  
Reports



## NATIONAL RAILROAD ADJUSTMENT BOARD MEMBERS

### NRAB

**Michael C. Lesnik** - NRLC, Board Chairman  
**Marcus J. Ruef** - BLET, Board Vice Chairman

#### FIRST DIVISION

**John F. Hennecke**  
NRLC, Chairman

**Douglas W. Davidson**  
BLET, Vice Chairman

**David B. Foley**, UP  
**John E. Lesniewski**, UTU  
**Brad Ragland**, TRRA  
**Samantha Rogers**, BNSF  
**Marcus J. Ruef**, BLET  
**David B. Wier**, UTU

#### SECOND DIVISION

**H. Glen Williams**  
NRLC, Chairman

**William T. Bohné**  
IBEW, Vice Chairman

**Joseph C. Burley**, W&LE  
**Stephanie K. Deiger**,  
SEPTA  
**Richard S. Finley**, TRRA  
**Charles J. Fraley**, SMART  
**Donald E. Grissom**, BRC  
**John Lacey**, IAMAW  
**John Thacker**, F&O  
**Ollie Wick**, BNSF

#### THIRD DIVISION

**Michael C. Lesnik**  
NRLC, Chairman

**Gary L. Hart**  
BMWED-IBT,  
Vice Chairman

**Donald Boyd**, HERE  
**John Bragg**, BRS  
**Danielle Farley**,  
METRA  
**Valorie Giulian**,  
AMTRAK  
**Mary C. Gunn**, TCIU  
**Thomas Lawrence**,  
III, PSWR  
**Michelle McBride**,  
BNSF  
**David W. Volz**, ATDA

#### FOURTH DIVISION

**Jeffrey F. Rodgers**  
NRLC, Chairman

**Allison Parker**  
ARASA, Vice Chairman

**Kevin Evanski**,  
BMWED  
**Anthony Lomanto**,  
PAN AM

**Doyle K. Turner**,  
SMART

**Alan Weed**,  
UP

## NRAB REFEREES

#### FIRST DIVISION

**Edwin H. Benn**  
**Brian C. Clauss**  
**James M. Darby**  
**Robert A. Grey**  
**Peter R. Meyers**  
**Martin Scheinman**  
**David Ray**  
**Elizabeth C. Wesman**  
**Jaclyn Zimmerman**

#### SECOND DIVISION

**Martin W. Fingerhut**  
**William R. Miller**  
**Robert E. Peterson**

#### THIRD DIVISION

**Steven M. Bierig**  
**Michael Capone**  
**Martin W. Fingerhut**  
**Patrick Halter**  
**Michele M. Hoyman**  
**Louis V. Imundo, Jr.**  
**George E. Larney**  
**Roger K. MacDougall**  
**Margo Newman**  
**Robert E. Peterson**  
**Barry E. Simon**  
**Burton D. White**

#### FOURTH DIVISION

**Martin Scheinman**

## SECTIONAL 3 TRIBUNALS

### SECTION 3 TRIBUNALS ESTABLISHED FY 2013

TYPE	No. of Boards
Public Law	75
Special Boards of Adjustment Arbitration Board	0
<b>TOTAL</b>	<b>75</b>

#### 1. PUBLIC LAW BOARDS, SPECIAL BOARDS OF ADJUSTMENT AND ARBITRATION BOARDS

##### 1A. Carriers

Alabama State Docks  
Appalachia & Ohio Railroad  
Belt Railway Company of Chicago  
Burlington Northern Santa Fe Railway Company  
Canadian National Railway Company  
Canadian Pacific Railway Company  
Chicago and Fort Wayne Railroad  
Consolidated Rail Corporation  
CSX Intermodal Terminal  
CSX Transportation, Inc.  
Elgin, Joliet & Eastern Railroad  
Gary Railroad  
Grand Trunk Western Railroad  
Illinois Central Railroad  
Indiana Harbor Belt Railroad  
Intermodal Kansas City Southern  
Long Island Rail Road  
Massachusetts Bay Commuter Railroad  
Metro North Commuter Rail  
National Railroad Passenger Corporation (AMTRAK)  
New Jersey Transit Authority  
Norfolk Southern Corporation  
Northeast Illinois Regional Commuter  
Pan Am Railway  
Paducah & Louisville  
Port Authority Trans Hudson of NY & NJ  
Port Terminal Railroad  
Progressive Railroad  
San Joaquin  
Soo Line Railroad Company  
South Central Florida Express  
Southeastern Pennsylvania Transportation Authority  
Terminal Railroad Association of St. Louis  
Union Pacific Railroad Company  
Wheeling & Lake Erie Railroad  
Wisconsin Central Ltd.

## 1B. Unions

American Train Dispatchers Association  
Amtrak Service Workers Council  
Association of Commuter Rail Employees  
Brotherhood of Locomotive Engineers & Trainmen-IBT  
Brotherhood of Maintenance of Way Employees-IBT  
Brotherhood of Railroad Signalmen  
Illinois Central Train Dispatchers Association  
Independent Railway Supervisors Association  
International Association of Machinists & Aerospace Workers  
International Association of Teamsters  
International Brotherhood of Blacksmiths & Boilermakers  
International Brotherhood of Electrical Workers  
International Longshoremens Association  
International Railway Supervisors Association  
Joint Council of Carmen, Helpers, Coach Cleaners & Apprentices  
National Conference of Firemen and Oilers, SEIU  
Railway Independent Transit Union  
SMART-Sheet Metal, Air, Rail & Transportation  
SMART-Transportation Division  
Transportation Communications International Union  
Transport Workers Union of America

## 1C. Arbitrators (Public Law Board, Special Board of Adjustment or Arbitration Board)

Edwin Benn	Don Hampton	Robert E. Peterson
Steven Bierig	Richard Hanft	Richard H. Radek
John R. Binau	Don Hays	David Ray
Patricia Bittel	I B. Helburn	Robert Richter
Daniel Brent	Michele Hoyman	Thomas N. Rinaldo
Ezio Borchini	Louis Imundo	Sean J. Rogers
Robert Camp	Ann S. Kenis	Lynette A. Ross
Dennis Campagna	Joyce Klein	Martin Scheinman
Michael Capone	Andria Knapp	Barry E. Simon
Brian Clauss	Lisa S. Kohn	Andrew Strongin
James E. Conway	Mitchell Kraus	David Twomey
James Darby	George Larney	M. David Vaughn
Rodney Dennis	Charles Loughran	Gerald E. Wallin
Francis J. Domzalski	Frank Lynch	Lamont Walton
John Easley	Roger MacDougall	Elizabeth C. Wesman
Lewis L. Ellsworth	Peter R. Meyers	Betty Widgeon
Joseph Fagnani	William Miller	Barbara Zausner
Martin Fingerhut	Sidney Moreland	Jacalyn Zimmerman
Steven Friedman	Margo Newman	Marty E. Zusman
Gayle Gavin	Daniel Nielsen	
Charlotte Gold	Kenneth O'Brien	
Robert A. Grey	Robert M. O'Brien	
Patrick Halter	Joan Parker	

## 2. LABOR PROTECTIVE PROVISIONS

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NA

## 3. UNION SHOPS

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NA

## 4. SYSTEM BOARDS OF ADJUSTMENT

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NA

### ONLINE ARBITRATION REPORTS

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The following online reports are “real time”; they are updated online as the NMB updates the underlying Case Tracking System. These reports are available on the Arbitration webpage at [www.nmb.gov/arbitration/amenu.html](http://www.nmb.gov/arbitration/amenu.html).

#### NRAB OPEN CASE REPORT

The NRAB Open Case Report shows all of the cases that are currently open for the NRAB. Shown in this report are the Arbitrator (if assigned), the parties, the date the case was opened, the date the case was deadlocked and the date the case was heard.

#### ARBITRATORS CASELOAD REPORT

This report lists by Arbitrator all of the open cases to which each Arbitrator is assigned. The report shows the parties involved, the date the case was opened and the date the case was heard. Cases that have not been closed within 6 months of the hearing date are deemed late and this is also shown in the report.



## SUPPORTING REPORTS & TABLES

52 Case Tables  
59 Case Record



## CASE TABLES

**TABLE 1:  
CASES RECEIVED  
AND CLOSED**

	FY 2013	FY 2012	FY 2011	FY 2010	FY 2009	FY 2008	08-12 AVG
<b>MEDIATION</b>							
Start-pending	98	91	84	74	44	64	71.4
New	38	53	48	43	58	20	44.4
Sum	136	144	132	117	102	84	115.8
Closed	36	46	41	33	28	40	37.6
End-pending	100	98	91	84	74	44	78.2
<b>ADR*</b>							
Start-pending	26	23	22	23	27	31	25.2
New	40	32	46	28	15	44	33.0
Sum	66	55	68	51	42	75	58.2
Closed	36	29	45	29	19	48	34.0
End-pending	30	26	23	22	23	27	24.2
<b>REPRESENTATION</b>							
Start Pending	7	2	9	8	2	4**	5
New	35	42	41	40	46	45	42.8
Sum	42	44	50	48	48	49	47.8
Closed	35	37	48	39	40	47	42.2
End-Pending	7	7	2	9	8	2	5.6
<b>ARBITRATION</b>							
Start-pending	2084	2384	2770	4037**	6212	5551	4190.8
New	6576	3569	3908	4381	4920	6056	4566.8
Sum	8660	5953	6678	8418	11132	11607	8757.6
Closed	4332	3869	4294	5648	7073	5395	5255.8
End-pending	4328	2084	2384	2770	4059	6212	3501.8

\* ADR caseload counts include OP and OP-ODR cases only in FY-2006 through FY-2010.

\*\* Caseload adjusted based on case audit.

**TABLE 2:  
REPRESENTATION  
CASE DISPOSITION**

	NUMBER OF CASES	NUMBER OF CRAFTS OR CLASSES	NUMBER OF EMPLOYEES INVOLVED	NUMBER OF EMPLOYEES PARTICIPATING
<b>RAILROADS</b>				
Certifications	14	7	414	373
Dismissals	7	3	136	126
<b>TOTALS</b>	<b>21</b>	<b>10</b>	<b>550</b>	<b>499</b>
<b>AIRLINES</b>				
Certifications	7	3	16,609	3,633
Dismissals	7	6	7,800	5,962
<b>TOTALS</b>	<b>14</b>	<b>9</b>	<b>24,409</b>	<b>9,595</b>
<b>TOTALS —</b>				
Railroads and Airlines	<b>35</b>	<b>19</b>	<b>24,959</b>	<b>10,094</b>

**TABLE 3:  
REPRESENTATION  
& MEDIATION CASES  
CLOSED**

	TOTAL CASES	REPRESENTATION CASES	MEDIATION CASES
<b>RAILROADS</b>			
Carmen	7	2	5
Clerical Office, Station and Storehouse Employees	1	1	0
Engineers	4	1	3
Locomotive Engineers	1	0	1
Locomotive Maintenance Employees	1	1	0
Maintenance of Way Employees	3	3	0
Operating and Non-Operating Employees	1	1	0
Ore Haulage Woerks	1	0	1
Signal & Communication Maintainers	1	0	1
Train Dispatchers	2	1	1
Train and Engine Service Employees	8	7	1
Yardmasters	1	1	0
Miscellaneous, Railroad	3	3	0
<b>RAILROAD TOTAL</b>	<b>34</b>	<b>21</b>	<b>13</b>
<b>AIRLINES</b>			
Cockpit Crew Members	2	0	2
Crew Track Analyst/Scheduler	1	1	0
Customer Service Agents	1	0	1
Dispatchers	2	0	2
Fleet and Passenger Service Employees	6	0	6
Fleet Service Employees	1	1	0
Flight Attendants	6	1	5
Flight Deck Crew Members	1	1	0
Flight Dispatchers	2	2	0
Kitchen & Commissary Agents	1	0	1
Mechanics and Related Employees	4	3	1
Passenger Service Employees	1	1	0
Pilots	8	3	5
Stock and Stores	1	1	0
<b>AIRLINE TOTAL</b>	<b>37</b>	<b>14</b>	<b>23</b>
<b>GRAND TOTAL — Railroads and Airlines</b>	<b>71</b>	<b>35</b>	<b>36</b>

**TABLE 4:  
REPRESENTATION  
DETERMINATIONS  
BY CRAFT OR CLASS**

<b>RAILROADS</b>	<b>NUMBER OF CASES</b>	<b>NUMBER OF CRAFT OR CLASS DETERMINATIONS</b>	<b>NUMBER OF EMPLOYEES</b>	<b>PERCENT<sup>1</sup> OF EMPLOYEES INVOLVED</b>
Clerical Office, Station and Storehouse Employees	1	1	5	..
Carmen	2	2	12	..
Electrical Workers	0	0	0	0
Engineers	1	1	2	..
Locomotive Engineers	4	4	18	..
Locomotive Firemen and Hostlers	0	0	0	0
Locomotive Maintenance Employees	0	0	0	0
Machinists	0	0	0	0
Maintenance of Way Employees	1	1	35	..
Operating/Non-Operating Employees	1	1	47	..
Sheet Metal Workers	0	0	0	0
Signalmen	0	0	0	0
Train Dispatchers	5	5	61	..
Train and Engine Service Employees	5	5	73	..
Train, Engine and Yard Service Employees	0	0	0	0
Transportation Operations Employees	0	0	285	1
Yardmasters	0	0	0	0
Combined Groups, Railroad	0	0	0	0
Miscellaneous, Railroad	1	1	46	..
<b>RAILROAD TOTAL</b>	<b>21</b>	<b>21</b>	<b>584</b>	

**TABLE 4:  
(CONTINUED)**

AIRLINES	NUMBER OF CASES	NUMBER OF CRAFT OR CLASS DETERMINATIONS	NUMBER OF EMPLOYEES	PERCENT <sup>1</sup> OF EMPLOYEES INVOLVED
Cockpit Crew Members	0	0	0	0
Engineers and Related Employees	0	0	0	0
Fleet and Passenger Service Employees	0	0	0	0
Fleet Service Employees	1	1	3,350	13
Flight Attendants	1	1	7,792	31
Flight Crew Training Instructors	0	0	0	0
Flight Deck Crew Members	1	1	11,675	47
Flight Dispatchers	2	2	115	..
Flight Engineers	0	0	0	0
Flight Simulator Engineers	0	0	0	0
Ground School Instructors	0	0	0	0
Maintenance Training Specialists	0	0	6	..
Mechanics and Related Employees	3	3	710	3
Office Clerical Employees	0	0	0	0
Passenger Service Employees	1	1	97	..
Pilots	3	3	394	2
Stock and Stores Employees	1	1	230	..
Combined Groups, Airlines	0	0	0	0
Miscellaneous, Airlines	1	1	46	..
<b>AIRLINE TOTAL</b>	<b>14</b>	<b>14</b>	<b>24,409</b>	
<b>GRAND TOTAL</b>				
Railroads and Airlines	<b>35</b>	<b>35</b>	<b>24,959</b>	

<sup>1</sup> Percent listing for each group represents the percentage of the 24,959 employees involved in all railroad and airline cases during fiscal year 2013.

(..) Less than one percent.

**TABLE 5:  
CERTIFICATIONS IN  
REPRESENTATION CASES**

	NATIONAL ORGANIZATIONS			LOCAL UNIONS AND/OR INDIVIDUALS			TOTALS		
	Craft or Class	Employees Number	Involved Percent	Craft or Class	Employees Number	Involved Percent	Craft or Class	Employees Number	
<b>RAILROADS</b>									
<b>REPRESENTATION ACQUIRED:</b>									
Elections	12	414	2	0	0	..	12	414	2
Proved Authorizations	0	0	0	0	0	0	0	0	0
<b>REPRESENTATION CHANGED:</b>									
Elections	0	0	0	5	85	0	5	85	..
Proved Authorizations	0	0	0	0	0	0	0	0	0
<b>REPRESENTATION UNCHANGED:</b>									
Elections	4	51	..	0	0	0	4	51	..
Proved Authorizations	0	0	0	0	0	0	0	0	0
<b>TOTAL, RAILROADS</b>	<b>16</b>	<b>465</b>	<b>..</b>	<b>5</b>	<b>85</b>	<b>..</b>	<b>21</b>	<b>550</b>	<b>2</b>
<b>AIRLINES</b>									
<b>REPRESENTATION ACQUIRED:</b>									
Elections	3	16,609	0	0	0	0	3	16,609	66
Proved Authorizations	0	0	0	0	0	0	0	0	0
<b>REPRESENTATION CHANGED:</b>									
Elections	1	2,624	0	0	0	0	1	2,624	11
Proved Authorizations	0	0	0	0	0	0	0	0	0
<b>REPRESENTATION UNCHANGED:</b>									
Elections	10	5,176	..	0	0	0	10	5,176	21
Proved Authorizations	0	0	0	0	0	0	0	0	0
<b>TOTAL, AIRLINES</b>	<b>14</b>	<b>24,409</b>	<b>..</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14</b>	<b>24,409</b>	<b>98</b>
<b>TOTAL</b>									
Combined Railroads and Airlines	<b>30</b>	<b>24,874</b>	<b>..</b>	<b>5</b>	<b>85</b>	<b>..</b>	<b>35</b>	<b>24,959</b>	<b>100</b>

[..] Less than one percent.

**TABLE 6:  
STRIKES IN THE  
AIRLINE INDUSTRY**

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**NONE**

**TABLE 7:  
STRIKES IN THE  
RAILROAD INDUSTRY**

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**NONE**

**TABLE 8: SECTION 10  
PRESIDENTIAL  
EMERGENCY BOARDS**

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**NONE**

**TABLE 9: SECTION 9A  
PRESIDENTIAL  
EMERGENCY BOARDS**

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**NONE**

## CASE RECORD

### 1A. AIRLINE MEDIATION CASES DOCKETED

CARRIER	UNION	CRAFT/CLASS
Aero Port Services	USWW	Fleet & Passenger Service Employees
Air Serv	SEIU	Fleet & Passenger Service Employees
Air Wisconsin Airlines Corporation	ALPA	Pilots
Alaska Airlines	AFA	Flight Attendants
Atlantic Southeast Airlines	IBT	Mechanics & Related Employees
British Airways	IAM	Customer Service Agents
British Airways	IAM	Engineers
British Airways	IAM	Reservation & Ticket Agents
Centurion Air Cargo	IBT	Captains
Continental Airlines	IAM	Fleet Service Employees
Continental Micronesia	IAM	Fleet & Passenger Service Employees
Flag Ship	USWW	Fleet & Passenger Service Employees
G2 Secure Staff, LLC	USWW	Fleet & Passenger Service Employees
Gate Gourmet	IBT	Kitchen & Commissary Employees
Gate Gourmet	IBT/HERE	Kitchen & Commissary Employees
Gateway Group One	USWW	Fleet & Passenger Service Employees
Ground Handling, Inc.	IBT	Customer Service Agents
Kalitta Air	IBT	Pilots
United Airlines	TWU	Dispatchers
World Service West/LA Inflight Service Co. LLC	USWW	Fleet & Passenger Service Employees

## 1B. RAILROAD MEDIATION CASES DOCKETED

CARRIER	UNION	CRAFT/CLASS
Alabama & Tennessee River Railway	UTU	Engineers
Canadian National Railway	BRS	Signal & Communications Maintainers
Canton Railroad Company	BMWED	Maintenance of Way Employees
Chicago Rail Link	SMART	Conductors
Chicago, South Shore and South Bend Railroad	TCU	Clerks
Duluth, Missabe and Iron Range Railway Company	TCU	Ore Haulage Workers
Duluth, Missabe and Iron Range Railway Company	TCU	Clerical Employees
Georgia and Florida Railway	SMART	Engineers
Georgia and Florida Railway	SMART	Maintenance of Way Employees
Indiana Rail Road	BLET	Trainmen
Long Island Rail Road	SMART	Shop Crafts
Metro North Commuter Railroad	TCU	Maintenance of Equipment Supervisors
Metro North Commuter Railroad	IBT	Maintenance of Way Employees
Montreal, Maine & Atlantic Railway	BLET	Train & Engine Service Employees
Nebraska, Kansas & Colorado Railway, Inc.	SMART	Engineers
Northeast Illinois Regional Commuter Railroad Corporation	BLET	Engineers
Tacoma Rail	SMART	Brakemen
Wheelersburg Terminal LLC	BMWED	Maintenance of Way Employees

## 1C. AIRLINE MEDIATION CASES CLOSED

CARRIER	UNION	CRAFT/CLASS
America West	AFA	Flight Attendants
Aero Port Services	USWW	Fleet & Passenger Service Employees
Air Serv	SEIU	Fleet & Passenger Service Employees
Air Wisconsin Airlines Corporation	TWU	Dispatchers
American Airlines	APA	Pilots
American Eagle	TWU	Dispatchers
Bahamasair Holdings Limited	IAM	Mechanics & Related Employees
Compass Airlines	AFA	Flight Attendants
Continental Airlines	ALPA	Pilots
Flagship	USWW	Fleet & Passenger Service Employees
G2 Secure Staff, LLC	USWW	Fleet & Passenger Service Employees
Gate Gourmet	IBT	Kitchen & Commissary Employees
Gateway Group One	USWW	Fleet & Passenger Service Employees
Ground Handling, Inc.	IBT	Customer Service Agents
Lynx Aviation, Inc.	AFA	Flight Attendants
Midwest Airlines	AFA	Flight Attendants
Northern Air Cargo	IBT	Crewmembers
Piedmont Airlines	ALPA	Pilots
PSA Airlines, Inc.	ALPA	Pilots
United Airlines	ALPA	Pilots
US Airways	AFA	Flight Attendants
World Airways	IBT	Cockpit Crew Members
World Service West/LA Inflight Service Co. LLC	USWW	Fleet & Passenger Service Employees

## 1D. RAILROAD MEDIATION CASES CLOSED

CARRIER	UNION	CRAFT/CLASS
Alabama & Tennessee River Railway	UTU	Engineers
Bessemer and Lake Erie	TCU-CARMEN	Carmen
Canadian National Railway	BRS	Signal & Communications Maintainers
Chicago, Central and Pacific Railroad	TCU-CARMEN	Carmen
Georgia and Florida Railway	SMART	Engineers
Grand Trunk Western Railroad Company	TCU-CARMEN	Carmen
Illinois Central Railroad	TCU-CARMEN	Carmen
Lake Superior & Ishpeming Railroad	TCU	Ore Haulage Workers
National Railroad Passenger Corporation	UTU	Train Service Employees
Pacific Harbor Line, Inc.	BLET	Engineers
Pan Am Railways	ATDA	Train Dispatchers
Pan Am Railways	BLET	Locomotive Engineers
Wisconsin Central Transportation Corporation	TCU-CARMEN	Carmen

## 2A. ADR CASES DOCKETED

CASE TYPE	CARRIER / ENTITY	UNION	GROUP
F	Pinnacle Airlines	AFA	Flight Attendants
F	United Airlines	IBT	Mechanics & Related
F	Horizon Airlines	AFA	Flight Attendants
F	Express Jet	ALPA	Pilots
GM	Illinois Central Railroad	BLET	Labor Relations Officers
GM	Norfolk Southern	SMART	Mechanics/Non Operating Employees
GM	BNSF Railway, Company	ATDA	Dispatcher
GM	CSX Transportation	SMART	Sheet Metal Workers
GM	Illinois Central Railroad	BRS	Signalman
GM	Union Pacific	BLET	Engineers
GM	Express Jet	IAM	Flight Attendants
GM	Massachusetts Bay Commuter RR	SMART	Sheet Metal Workers
GM	CSX Transportation	ATDA	Train Dispatchers
GM	Compass Airlines	AFA-CWA	Flight Attendants
T	Illinois Central	BLET	Labor Relations Officers
T	Speaker Bureau Presentation	-	-
T	Speaker Bureau Presentation	-	-
T	United Airlines	IBT	Mechanics & Related
T	Cornell ILR	-	-
T	Mediator Training	-	-
T	Dominican University	-	-
T	Air Wisconsin Airlines	TWU	Dispatchers
T	Express Jet	IAM	Flight Attendants
T	Horizon Air	AFA	Flight Attendants
T	-	IAMAW	COFPS
T	Amerijet	-	-
T	CSX Transportation	SMART	Sheet Metal Workers
T	-	UTU	-
T	Illinois Central Railroad	BRS	Signalman
T	Department of Transportation	-	Train & Engine Service Employees
T	Dominican University	-	-
T	ABA Panel Presentation	-	-
T	General Chairman Training	IAMAW	-
T	Southwest Airlines	TWU	Flight Attendants
T	Dominican University	-	-
T	-	IAM	Stores, Ramps & Service
T	CSX Transportation	ATDA	Train Dispatchers
T	Compass Airlines	AFA-CWA	Flight Attendants
T	NARR	-	-
T	Express Jet	-	Management Only

Note: Case T-0318 not included.

## 2B. ADR CASES CLOSED

CASE TYPE	CARRIER / ENTITY	UNION	GROUP
F	METRA	UTU	-
F	Pinnacle	ALPA	-
F	Pinnacle	AFA	-
F	Horizon airlines	AFA	-
F	Department of Labor	-	-
GM	Southwest Airlines	TWU	Flight Crew Training Instructors
GM	--	SMART	-
T	--	ALPA	Pilots
T	All Railroads	-	Multiple Crafts
T	--	IAM	Multiple Crafts
T	Federal Maritime Commission	-	-
T	Illinois Central	BLET	Labor Relations Officers
T	Speaker Bureau Presentation	-	-
T	Speaker Bureau Presentation	-	-
T	United Airlines	IBT	Mechanics & Related
T	Cornell ILR	-	-
T	Mediator Training	-	-
T	Dominican University	-	-
T	Air Wisconsin Airlines	TWU	Dispatchers
T	Express Jet	IAM	Flight Attendants
T	Horizon Air	AFA	Flight Attendants
T	--	IAMAW	COFPS
T	Amerijet	-	-
T	CSX Transportation	SMART	Sheet Metal Workers
T	--	UTU	-
T	Illinois Central Railroad	BRS	Signalman
T	Department of Transportation	-	Train & Engine Service Employees
T	Dominican University	-	-
T	ABA Panel Presentation	-	-
T	General Chairman Training	IAMAW	-
T	Southwest Airlines	TWU	Flight Attendants
T	Dominican University	-	-
T	--	IAM	Stores, Ramps & Service
T	CSX Transportation	ATDA	Train Dispatchers
T	Compass Airlines	AFA-CWA	Flight Attendants
T	NARR	-	-

Note: Case T-0318 not included.

### 3A. AIRLINE REPRESENTATION CASES DOCKETED

CARRIER	UNION	CRAFT/CLASS
Aircraft Service International Group	SEIU,USWW	Fleet Service Employees @ LAX 6
Air Transport Int'l/ Capital Cargo Int'l Airlines	ALPA	Flight Deck Crew members
Allegiant Airlines	IBT	Flight Dispatchers
American Airlines	UTU	Crew Track Analyst/Scheduler
American Airlines	IBT/TWU	Mechanics & Related Employees
Avantair	SMART	Pilots
Frontier Airlines	IBT	Maintenance Controllers
Gateway Frontline Services	USWW	Dispatchers
Silver Airways	TWU	Flight Dispatchers
Trade Winds Airlines d/b/a Sky Lease One, Inc.	IBT	Flight Deck Crew members
United Air Lines/Continental Airlines	IBT	Mechanics & Related Employees
US Airways	IBT, IAM	Mechanics & Related Employees
World Airways/North American Airlines	IBT	Flight Attendants
World Airways/North American Airlines	IBT, ALPA	Pilots

### 3B. RAILROAD REPRESENTATION CASES DOCKETED

CARRIER	UNION	CRAFT/CLASS
Austin Western Railroad	BLET	Train & Engine Service Employees
Bristow US, LLC	OPEIU	Mechanics & Related Employees
Canton Railroad Company	BMWED	Maintenance of Way Employees
Chicago Terminal Railroad	SMART	Train & Engine Service Employees
Columbus & Chattahoochee Railroad	SMART	Train & Engine Service Employees
DeQueen & Eastern Railroad	SMART	Train & Engine Service Employees
DeQueen & Eastern Railroad	SMART	Train Dispatchers
Eastern Idaho Railroad	BLET	Train & Engine Service Employees
Eastern Idaho Railroad	BLET	Engineers
Kansas & Oklahoma Railroad	IAM	Carmen
Kansas & Oklahoma Railroad	IAM	Locomotive Maintenance Employees
Ohio Central Railroad/Columbus & Ohio Railroad Company	BLET	Train & Engine Service Employees
Progressive Rail	BHPP, UTU	Train & Engine Service Employees
Savage Transportation Management	USW	Track Maintenance Workers
South Buffalo Railroad	SMART	Yardmasters
South Kansas & Oklahoma Railroad	BMWED	Maintenance of Way & Structures Dept. Employees
South Kansas & Oklahoma Railroad	BMWED	Track Foreman
Texas & Northern Railway Company	SMART	Operating Employees
Texas & Northern Railway Company	SMART	Operating/Non-Operating Employees
Texas Pacific Transportation, Ltd.	BLET	Engineers
Union Pacific	ATDA	Train Dispatchers

### 3C. AIRLINE REPRESENTATION CASES CLOSED

CARRIER	UNION	CRAFT/CLASS	DISPOSITION
Aircraft Services Int'l Group	SEIU	Fleet Service	FUI-Dismissal
Allegiant Air	IBT	Flight Dispatchers	Certification
American Airlines	CWA	Passenger Service	Certification
American Airlines	UTU	Crew Track Analyst/ Scheduler	Dismissal-WDI
Avantair	SMART	Pilots	Certification
Horizon Airlines	IAM	Stock & Stores	Certification
Silver Airways	TWU	Flight Dispatchers	Dismissal
Southwest Airlines	AMFA	Mechanics & Related	FUI-Certification
Trade Winds Air	IBT	Flight deck Crew members	Dismissal-WDI
United Air Lines	IBT	Mechanics & Related	FUI-Certification
US Airways	IBT	Mechanics & Related	Certification
Virgin America	VAPA	Pilots	Dismissal-WDI
World Airways/ North American Airlines	IBT	Pilots	FUI-Dismissal
World Airways/ North American Airlines	IBT	Flight Attendants	FUI-Dismissal

### 3D. RAILROAD REPRESENTATION CASES CLOSED

CARRIER	UNION	CRAFT/CLASS	DISPOSITION
Austin Western Railroad	BLET	Train & Engine Service Employees	Dismissal
Bristow US, LLC	OPEIU	Mechanics & Related Employees	Certification
Birmingham Terminal Railway	SMART	Office Clerical Station & Stores Employees	Dismissal
Birmingham Terminal Railway	SMART	Maintenance of Way Employees	Dismissal
Birmingham Terminal Railway	SMART	Carmen	Dismissal
Birmingham Terminal Railway	SMART	Train & Engine Service Employees	Certification
Canton Railroad Company	BMWED	Maintenance of Way Employees	Certification
Chicago Terminal Railroad	SMART	Train & Engine Service	Certification
DeQueen & Eastern Railroad	SMART	Train & Engine Service Employees	Certification
DeQueen & Eastern Railroad	SMART	Train Dispatchers	Certification
Eastern Idaho Railroad	BLET	Train & Engine Service Employees	Dismissal
Kansas & Oklahoma Railroad	IAM	Carmen	Certification
Kansas & Oklahoma Railroad	IAM	Locomotive Maintenance Employees	Certification
Ohio Central Railroad/ Columbus & Ohio Railroad Company	BLET	Train & Engine Service Employees	Dismissal
Progressive Rail	BHPP, UTU	Train & Engine Service Employees	Certification
Sand Springs Railway Company	BMWED	Maintenance of Way Employees	Dismissal
South Buffalo Railroad	SMART	Yardmasters	Certification
South Kansas & Oklahoma Railroad	BMWED	Maintenance of Way & Structure Employees	Certification
Texas & Northern Railway Company	SMART	Operating Employees	Certification
Texas & Northern Railway Company	SMART	Operating/Non-Operating Employees	Certification
Texas Pacific Transportation, Ltd.	BLET	Engineers	Certification

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## CFO LETTER

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### DECEMBER 12, 2013

I'm pleased to present the National Mediation Board's (NMB) Fiscal Year 2013 consolidated financial statements. This report is prepared in accordance with the requirements of the Office of Management and Budget Circular A-136, Financial Reporting Requirements.

This year, the NMB is pleased to have received its 16th consecutive unqualified audit opinion. While we were unable to eliminate the significant deficiency identified in last year's report, we have however made some improvements that show that the agency is on the right track.

The NMB has cross serviced with the Bureau of Public Debt to provide its financial management support which along with the updated administrative processes within the departments of Administration and Arbitration is proving to be the right financial mix.

We believe this new partnership will enhance the NMB's financial stewardship ability and continue to improve its accountability and continued sound business practices.



**JUNE D.W. KING**

Director, Office of Administration and Chief Financial Officer

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## AUDIT REPORT

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### SEPTEMBER 30, 2013

**ALLMOND & COMPANY, LLC**

Certified Public Accountants  
8181 Professional Place, Suite 250  
Landover, Maryland 20785  
(301) 918-8200

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## INDEPENDENT AUDITOR'S REPORT

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### BOARD MEMBERS

National Mediation Board

We have audited the accompanying consolidated balance sheet of the National Mediation Board (NMB) as of September 30, 2013 and 2012, and the related consolidated statements of net cost, changes in net position, and combined statement of budgetary resources for the year then ended (hereinafter referred to as "consolidated financial statements"). The objective of our audits was to express an opinion on the fair presentation of these consolidated financial statements. In connection with our fiscal year 2013 audit, we also considered NMBs' internal controls over financial reporting and tested NMBs' compliance with certain provisions of applicable laws and regulations that could have a direct and material effect on these consolidated financial statements.

#### Summary

As stated in our opinion on the consolidated financial statements, we concluded that NMB consolidated financial statements as of and for the years ended September 30, 2013 and 2012, are presented fairly, in all material respects, in conformity with U.S. generally accepted accounting principles.

Our consideration of internal controls over financial reporting resulted in identifying a deficiency we considered to be significant, as defined in the Consideration of Internal Control section of this report. We did not identify any deficiencies in internal control over financial reporting we considered to be material weaknesses as defined in the Consideration of Internal Control section of this report.

Our test of compliance with certain provisions of laws and regulations did not disclose any instances of non compliance.

The following sections discuss our opinion on NMB consolidated financial statements; our considerations of NMB internal control over financial reporting; our tests of NMB compliance with certain provisions of applicable laws and regulations; and management's and our responsibilities.

### OPINION ON THE FINANCIAL STATEMENTS

We have audited the accompanying consolidated balance sheets of NMB as of September 30, 2013 and 2012, and related consolidated statements of net costs and changes in net position, and combined statements of budgetary resources for the years then ended.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of NMB as of September 30, 2013 and 2012, and its net costs, changes in net position, and budgetary resources for the year then ended in conformity with U.S. general accepted accounting principles.

The information in the Management and Discussion Analysis section of this report is not a required part of the basic financial statements, but is supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of this information. However we did not audit this information and, accordingly, we express no opinion on it.

## CONSIDERATION OF INTERNAL CONTROL

A control deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatement on a timely basis. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected.

Our consideration of internal control over financial reporting was for the limited purpose described in the Responsibilities section of this report and was not designed to identify all deficiencies in internal control over financial reporting that might be a control deficiency, significant deficiency, or material weakness. In our fiscal year 2013 audit, we did not identify any deficiencies in internal control over financial reporting that we considered to be a material weakness, as defined above. However we identified a deficiency in internal control over financial reporting described in Exhibit I that we consider to be a significant deficiency in internal control over financial reporting. A significant deficiency is a control deficiency or a combination of control deficiencies, that adversely affects NMBs' ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the NMB's financial statements that is more than inconsequential will not be prevented or detected.

We noted certain additional matters that we have reported to NMB management in a separate letter dated December 6, 2013.

## COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

The results of our tests of compliance as described in the Responsibilities section of this report, disclosed no instances of noncompliance or other matters that are required to be reported herein under Government Auditing Standards or OMB Bulletin No. 14-02.

## RESPONSIBILITIES

**Management Responsibilities:** Management is responsible for the consolidated financial statements; establishing and maintaining effective internal control over financial reporting; and complying with laws and regulations applicable to NMB.

**Auditors' Responsibilities:** Our responsibility is to express an opinion on the fiscal year 2013 and 2012 consolidated financial statements of NMB based on our audits. We conducted our audit in accordance with Government Auditing Standards, auditing standards generally accepted in the United States, and OMB Bulletin No. 14-02, Audit Requirements for Federal Financial Statements. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes the consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of NMB internal control over financial reporting. Accordingly, we express no such opinion.

An audit also includes:

- Examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements.
- Assessing the accounting principles used and significant estimates made by management; and
- Evaluating the overall financial statement presentation.

We believe that our audits provide a reasonable basis for our opinion.

In planning and performing our fiscal year 2013 audit, we considered NMB's internal control over financial reporting by obtaining an understanding of NMB's internal control, determining whether internal control had been placed in operation, assessing control risk, and performing tests of control to determine auditing procedures for the purpose of expressing our opinion on the consolidated financial statements, but not to provide an opinion on the effectiveness of NMB internal control over financial reporting. Accordingly we do not express an opinion on NMB's internal controls over financial reporting. We limited internal control testing to those necessary to achieve the objectives described in OMB Bulletin No. 14-02. We did not test all internal control relevant to operating objectives as broadly defined by the Federal Managers' Financial Integrity Act of 1982.

As part of obtaining reasonable assurance about whether NMBs' fiscal year 2013 consolidated financial statements are free of material misstatements, we performed test of NMBs' compliance with certain provisions of laws and regulations, which noncompliance with could have a direct and material effect on the determination of the consolidated financial statement amounts, and certain provisions of other laws specified in OMB Bulletin 14-02.

NMB written responses to the findings identified in our audit and presented in Exhibit I were not subjected to the auditing procedures applied in the audit of NMBs' consolidated financial statements and, accordingly, we express no opinion on them.

This report is intended solely for the information of NMB management, OMB, and Congress. This report is not intended to be and should not be used by anyone other than these specified parties.



**ALLMOND & COMPANY, LLC**

December 6, 2013  
Landover, Maryland

## EXHIBIT 1 SIGNIFICANT DEFICIENCY

### Improvements Were Needed in Recording Obligations Related to Arbitration Services

National Mediation Board (NMB) experienced significant issues related to recording obligations for arbitration services in the general ledger when they are incurred (once an arbitrator is assigned to a case) during fiscal years (FY) 2010, 2011, and 2012. Over the years, NMB has made substantial improvements to their procedures for recording obligations related to arbitration services. These improvements included (1) obligating the full cost of the obligation when an arbitrator is assigned to a case; (2) tracking of all cost associated with an arbitrator rendering an award on a case; (3) documenting the approval to assign an arbitrator to hear a case or group of cases, and (4) reconciling obligations in the Arbitration Workspace (AWS) to those recorded in the general ledger on a monthly basis.

Although improvements have been made by NMB to arbitration procedures, we continued to identify weaknesses in recording obligations related to arbitration services in the general ledger. Specifically, the following weaknesses were identified during our audit procedures over obligations related to arbitration services (1) NMB internal control procedure to reconcile AWS obligations to those obligations recorded in the general ledger related to arbitration services was only in operation for seven months (October 2012 – April 2013) of FY 2013; (2) Arbitration obligations recorded in AWS were not always in agreement with obligations recorded in the general ledger related to arbitration services.; and (3) the general ledger was not always timely updated when more information about the status of a case became available in AWS.

Government Accountability Office (GAO) Standards on Internal Control in the Federal Government states “Transactions should be promptly recorded to maintain their relevance and value to management in controlling operations and making decisions. This applies to the entire process or life cycle of a transaction or event from the initiation and authorization through its final classification in summary records. In addition, control activities help to ensure that all transactions are completely and accurately recorded.”

Office of Administration staff was unaware they were required to continue performing the monthly reconciliation of AWS obligations to general ledger obligations once NMB transitioned financial management and reporting functions to a service provider in May 2013. Also, the Office of Administration did not notify the service provider in a timely manner to adjust the obligations recorded in the general ledger once a case had been withdrawn or closed prior to the arbitrator hearing the case. As a result, Undelivered Orders was overstated by \$279,450 at September 30, 2013.

We recommend NMB management do the following to address the issues noted above:

- 01** Office of Administration staff or service provider reconciles the status of obligations established in the general ledger to the amount of cases assigned to an arbitrator per the Arbitration Workspace on a monthly basis.
- 02** Monitoring activities be performed monthly by Office of Administration and Office of Arbitration over the funds that remain available for obligation related to arbitration services.
- 03** Continue to develop a mechanism to estimate and update obligations related to arbitration in the general ledger as more information about the status of the case becomes available.

**MANAGEMENT RESPONSE:**

The Office of Administration has extended its internal operating procedures to incorporate the recommendation made by the auditors. Beginning in December, 2013, and going forward, the reconciliation process will be completed by the 25th day of the month and any adjustments will be submitted to the Bureau of Public Debit with the appropriate supporting backup. The OA staff member will provide a written communication to the OA Supervisor stating that the reconciliation has been completed and the adjustment, if necessary has been made by the BPD. Finally the OA Director will provide quarterly reviews to ensure that the administrative actions are being performed in accordance with the established procedures.

**AUDITORS' RESPONSE:**

We will conduct follow-up procedures in FY 2014 to determine whether corrective actions have been developed and implemented.

## FINANCIAL STATEMENTS

### NATIONAL MEDIATION BOARD BALANCE SHEET

As of September 30, 2013  
and September 30, 2012  
(In Dollars)

<b>ASSETS</b>	<b>2013</b>	<b>2012</b>
Intragovernmental		
Fund Balance with Treasury (Note 2)	\$ 5,440,303	\$ 5,258,491
Accounts Receivable, Net	1,601	-
Property, Equipment and Software, Net (Note 3)	74,274	124,420
<b>TOTAL ASSETS</b>	<b>\$ 5,516,178</b>	<b>\$ 5,382,911</b>
<b>LIABILITIES AND NET POSITION</b>		
<b>LIABILITIES:</b>		
Intragovernmental		
Accounts Payable	\$ -	\$ 188,738
Other	29,767	
<b>TOTAL INTRAGOVERNMENTAL</b>	<b>29,767</b>	<b>188,738</b>
Accounts Payable	66,386	278,450
Accrued Payroll and Benefits	147,042	128,000
Unfunded Annual Leave (Note 4)	425,724	422,215
Contingent Liability (Note 4)	75,000	75,000
Capital Lease Liability (Note 6)	50,512	90,172
<b>TOTAL LIABILITIES</b>	<b>\$ 794,431</b>	<b>\$ 1,182,575</b>
<b>NET POSITION:</b>		
Unexpended Appropriated - All Other Funds	\$ 5,146,596	\$ 4,573,132
Cumulative Results of Operations - All Other Funds	(424,849)	(372,796)
<b>TOTAL NET POSITION</b>	<b>\$ 4,721,747</b>	<b>\$ 4,200,336</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 5,516,178</b>	<b>\$ 5,382,911</b>

The accompanying notes are an integral part of these financial statements.

## NATIONAL MEDIATION BOARD STATEMENT OF NET COST

For the Fiscal Years Ended  
September 30, 2013  
and September 30, 2012  
(In Dollars)

<b>PROGRAM COSTS</b>	<b>2013</b>	<b>2012</b>
<b>MEDIATION/ADR</b>		
Intragovernmental	\$ 1,695,473	\$ 2,319,292
With the Public	4,992,301	4,123,670
<b>TOTAL MEDIATION/ADR</b>	<b>\$ 6,687,774</b>	<b>\$ 6,442,962</b>
<b>REPRESENTATION</b>		
Intragovernmental	\$ 753,423	\$ 1,011,723
With the Public	1,934,165	1,772,832
<b>TOTAL REPRESENTATION</b>	<b>\$ 2,687,588</b>	<b>\$ 2,784,555</b>
<b>ARBITRATION</b>		
Intragovernmental	\$ 309,983	\$ 682,998
With the Public	2,399,545	2,334,946
<b>TOTAL ARBITRATION</b>	<b>\$ 2,709,528</b>	<b>\$ 3,017,944</b>
<b>PRESIDENTIAL EMERGENCY BOARD</b>		
Intragovernmental	\$ 1,411	\$ 3,712
With the Public	6,659	149,266
<b>TOTAL PRESIDENTIAL EMERGENCY BOARD</b>	<b>\$ 8,070</b>	<b>\$ 152,978</b>
<b>TOTAL GROSS PROGRAM COSTS</b>	<b>12,092,960</b>	<b>12,398,439</b>
<b>NET PROGRAM COSTS</b>	<b>\$ 12,092,960</b>	<b>\$ 12,398,439</b>

**NATIONAL MEDIATION  
BOARD STATEMENT  
OF CHANGES IN NET  
POSITION**

**For the Fiscal Years Ended  
September 30, 2013  
and September 30, 2012  
(In Dollars)**

	2013	2012
<b>CUMULATIVE RESULT OF OPERATIONS:</b>		
Beginning Balances	\$ (372,796)	\$ (781,290)
<b>BUDGETARY FINANCING SOURCES:</b>		
Appropriations Used	11,589,384	12,340,985
Imputed Financing Sources (Note 5)	451,523	465,948
Total Financing Sources	12,040,907	12,806,933
Net Cost of Operations	(12,092,960)	(12,398,439)
Net Change	(52,053)	408,494
<b>CUMULATIVE RESULTS OF OPERATIONS:</b>	<b>\$ (424,849)</b>	<b>\$ (372,796)</b>
<b>UNEXPENDED APPROPRIATIONS</b>		
Beginning Balances	\$ 4,573,132	\$ 3,716,794
<b>BUDGETARY FINANCING SOURCES:</b>		
Appropriations Received	13,410,606	13,436,000
Other Adjustments	(1,247,758)	(238,677)
Appropriations Used	(11,589,384)	(12,340,985)
Total Budgetary Financing Sources	573,464	856,338
<b>TOTAL UNEXPENDED APPROPRIATIONS - ALL OTHER FUNDS</b>	<b>\$ 5,146,596</b>	<b>\$ 4,573,132</b>
<b>NET POSITION</b>	<b>\$ 4,721,747</b>	<b>\$ 4,200,336</b>

## NATIONAL MEDIATION BOARD STATEMENT OF BUDGETARY RESOURCES

For the Fiscal Years Ended  
September 30, 2013  
and September 30, 2012  
(In Dollars)

	2013	2012
<b>BUDGETARY RESOURCES:</b>		
Unobligated Balance Brought Forward, October 1	\$ 3,127,703	2,600,906
Recoveries of Prior Year Unpaid Obligations	668,712	-
Other Changes in Unobligated Balance	(546,303)	(213,283)
Unobligated balance from prior year budget authority, Net	3,250,112	2,387,623
Appropriations	12,709,151	13,410,606
<b>TOTAL BUDGETARY RESOURCES</b>	<b>\$ 15,959,263</b>	<b>\$ 15,798,229</b>
<b>STATUS OF BUDGETARY RESOURCES:</b>		
Obligations Incurred (Note 9)	\$ 12,216,160	\$ 12,670,526
Unobligated Balance, End of Year:		
Apportioned	605,371	395,763
Unapportioned	3,137,732	2,731,940
<b>TOTAL UNOBLIGATED BALANCE, END OF YEAR</b>	<b>3,743,103</b>	<b>3,127,703</b>
<b>TOTAL BUDGETARY RESOURCES</b>	<b>\$ 15,959,263</b>	<b>\$ 15,798,229</b>
<b>CHANGE IN OBLIGATED BALANCE UNPAID OBLIGATIONS:</b>		
Unpaid Obligations, Brought Forward, October 1	\$ 2,130,787	\$ 2,094,871
Obligations Incurred (Note 9)	12,216,160	12,670,526
Outlays (Gross)	(11,981,035)	(12,634,610)
Recoveries of Prior Year Unpaid	(668,712)	-
Unpaid Obligations, End of Year (Gross)	1,697,200	2,130,787
Obligated Balance, Start of Year	\$ 2,130,787	\$ 2,094,871
Obligated Balance, End of Year	\$ 1,697,200	\$ 2,130,787
<b>BUDGET AUTHORITY AND OUTLAYS, NET:</b>		
Budget authority, Gross	\$ 12,709,151	\$ 13,410,606
Budget Authority, Net	\$ 12,709,151	\$ 13,410,606
Outlays, Gross	\$ 11,981,035	\$ 12,634,610
Agency outlays, Net	\$ 11,981,035	\$ 12,634,610

**NOTES TO PRINCIPAL  
STATEMENTS  
SEPTEMBER 30, 2013  
AND SEPTEMBER 30, 2012**

**Note 1: Summary  
of Significant  
Accounting Policies**

The National Mediation Board (NMB), established in 1934 under Section 4 of the Railway Labor Act (RLA), is an independent U.S. federal government agency that performs a central role in facilitating harmonious labor-management relations within two of the nation's major transportation modes - the railroads and airlines. Recognizing the importance of these transportation industries to the public, shippers, and consumers, as well as to the economy and security of the country, the RLA established NMB to promote four key statutory goals:

**A. Reporting Entity**

- 01 The prompt and orderly resolution of disputes arising out of the negotiation of new or revised collective bargaining agreements;
- 02 The effectuation of employee rights of self-organization where a representation dispute exists; and
- 03 The prompt and orderly resolution of disputes over the interpretation or application of existing agreements.

These financial statements include all activity related to NMB's appropriation (No. 95132400), the principal funding for all NMB activities.

NMB prepares its financial statements to be in conformity with general accepted accounting principles.

NMB does not hold any non-entity assets and has no funds from dedicated collections as described by the Government Accountability Office (GAO).

**B. Basis of Presentation**

NMB's principal financial statements were prepared from its official financial records and general ledger in conformity with accounting principles generally accepted in the United States and follow the presentation guidance established by OMB Circular No. 136 "Financial Reporting Requirements," as amended. The amounts reported in the financial statements are consolidated totals net of intra-entity transactions. The financial statements have been prepared to report the financial position, net cost of operations, changes in net position, and the status and availability of budgetary resources of NMB. Unless specified otherwise, all amounts are presented in dollars.

**C. Basis of Accounting**

Transactions are recorded on both an accrual accounting basis and a budgetary basis. The accrual method of accounting requires recognition of the financial effects of transactions, events, and circumstances in the period(s) when those transactions, events, and circumstances occur, regardless of when cash is received or paid. Budgetary accounting facilitates compliance with legal requirements and controls over the use of funds and to keep track of budget authority at the various stages of execution including allotment, obligation, and outlay.

The Balance Sheet, Statement of Net Cost, Statement of Net Position, and Statement of Budgetary Resources have been prepared in accordance with generally accepted accounting principles accepted in the United States for federal entities as prescribed by the standards set forth by the Federal Accounting Standards Advisory Board (FASAB). FASAB is recognized by the American Institute of Certified Public Accountants as the body designated to establish generally accepted accounting principles for federal entities. Certain assets, liabilities, and costs have been classified as intragovernmental throughout the financial statements and notes. Intragovernmental is defined as transactions made between two reporting entities within the federal government.

## **D. Revenue and Other Financing Sources**

NMB receives funds to support its programs through annual appropriations. These may be used to pay program and administrative expenses (primarily salaries and benefits, occupancy, travel, and contractual services costs).

Appropriations are recognized as other financing sources at the time they are used to pay program or administrative expenses. Appropriations used to acquire property and equipment is recognized as financing sources when the assets are purchased.

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## **E. Use of Estimates**

The preparation of the accompanying financial statements in accordance with U.S. generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. Actual results could differ from those estimates.

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## **F. Fund Balances with the US Department of Treasury**

The U.S. Treasury (Treasury) processes cash receipts and disbursements on NMB's behalf. The balance of funds with Treasury represents appropriated funds that are available to pay current liabilities and finance authorized purchase obligations relative to goods or services that have not been received. NMB does not maintain cash in commercial bank accounts or foreign currency balances.

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## **G. Accounts Receivable**

Accounts receivable primarily consists of amounts due from current and former employees. These receivables are a result of payroll adjustments and or court ordered actions. An allowance for uncollectible accounts receivable from the public is established when either (1) management determines that collection is unlikely to occur after a review of outstanding accounts and the failure of all collection efforts, or (2) an account for which no allowance has been established is submitted to the Department of the Treasury for collection, which takes place when it becomes 180 days delinquent. Based on historical experience, all receivables are collectible and no allowance is provided.

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## **H. Property and Equipment**

Property and equipment is stated at cost less accumulated depreciation. NMB capitalizes property and equipment purchases with a cost greater than \$5,000, and a total useful life exceeding one year. Depreciation is calculated on a straight-line basis based on an estimated useful life of 5 years for all assets. Expenditures for repairs and maintenance are charged to operating expenses as incurred.

When NMB enters into a lease agreement, as lessee, if the title of the asset transfers to NMB at the end of the lease or any of the other three capitalization criteria pursuant to SFFAS No. 6, Accounting for Property, Plant, and Equipment, are met, NMB capitalizes the lease at the present value of minimum lease payment and amortizes the cost over the economic useful life of the asset.

## I. Liabilities

Liabilities represent the amount of monies or other resources that are likely to be paid by NMB as the result of a transaction or event that has already occurred. However, no liability can be paid by NMB absent an appropriation. Liabilities for which an appropriation has not been enacted are therefore classified as Liabilities Not Covered by Budgetary Resources and there is no certainty that the appropriations will be enacted. Also, liabilities of NMB arising from other than contracts can be abrogated by the government, acting in its sovereign capacity.

Liabilities covered by budgetary resources are liabilities funded by a current appropriation or other funding source. These consist of accounts payable and accrued payroll and benefits. Accounts payable represent amounts owed to another entity for goods ordered and received and for services rendered except for employees.

Liabilities not covered by budgetary resource are liabilities that are not funded by any current appropriation or other funding source. These liabilities consist of accrued annual leave and contingent liabilities.

Regarding NMB's building lease, the General Services Administration (GSA) entered into a lease agreement for NMB's rental of building space. NMB pays GSA a standard level users charge for the annual rental. The standard level users charge approximates the commercial rental rates for similar properties.

## J. Accrued Payroll and Benefits

Accrued payroll and benefits reflect salaries and benefits that have been earned, but not disbursed as of September 30, 2013. Accrued payroll and benefits are payable to employees and are therefore not classified as Intragovernmental.

## K. Annual, Sick and Other Leave

Annual leave is accrued as a liability as it is earned. The accrual is reduced as leave is taken. Each pay period the balance in the accrued leave account is adjusted to reflect the current leave balances and pay rates. Accrued annual leave is paid from future funding sources and accordingly is reflected as a liability not covered by budgetary resources. Sick leave and other types of non-vested leave are charged to expense as the leave is used.

## L. Retirement Plan

NMB's employees participate in either the Civil Service Retirement System (CSRS) or the Federal Employees' Retirement System (FERS). Employees participating in CSRS contribute 7 percent of their gross pay to the plan, and NMB contributes 7 percent.

On January 1, 1987, FERS went into effect pursuant to Public Law 99-335. Most employees hired after December 31, 1983, are automatically covered by FERS and are eligible for Social Security benefits. Employees hired prior to January 1, 1984, could elect either to transfer to the FERS plan and become eligible for Social Security benefits or remain in CSRS. A primary feature of FERS is that it offers a savings plan in which NMB automatically contributes 1 percent of employees' pay and matches any employee contribution up to an additional 4 percent of pay.

The actuarial present value of accumulated benefits, assets available for benefits, and unfunded pension liability of CSRS and FERS is not allocated to individual departments and agencies and is therefore not disclosed by NMB. The reporting of these amounts is the responsibility of the Office of Personnel Management.

## M. Commitments and Contingencies

Commitments are contractual agreements involving financial obligations. NMB is committed for goods and services that have been ordered, but have not yet been received.

A contingency is an existing condition, situation, or set of circumstances involving uncertainty as to possible gain or loss. The uncertainty will ultimately be resolved when one or more future events occur or fail to occur. A contingent liability is recognized when a past event or exchange transaction has occurred, and future outflow or other sacrifice of resources is measurable and probable. A contingency is not disclosed when any of the conditions for liability recognition are not met and the chance of the future event or events occurring are not probable.

## Note 2: Fund Balances with Treasury

Fund Balance with Treasury account balances as of September 30, 2013 and 2012 were as follows:

	2013	2012
<b>FUND BALANCES:</b>		
Appropriated Funds	\$ 5,440,303	\$ 5,258,491
<b>TOTAL</b>	<b>\$ 5,440,303</b>	<b>\$ 5,258,491</b>
<b>STATUS OF FUND BALANCE WITH TREASURY:</b>		
Unobligated Balance		
Available	\$ 605,371	\$ 395,763
Unavailable	3,137,732	2,731,940
Obligated Balance Not Yet Disbursed	1,697,200	2,130,788
<b>TOTAL</b>	<b>\$ 5,440,303</b>	<b>\$ 5,258,491</b>

## Note 3: Property and Equipment, Net

NMB uses straight-line depreciation with a useful life of 5 years and a capitalization threshold of \$5,000.

Schedule of Property and equipment, at September 30, 2013:

MAJOR CLASS	ACQUISITION COST	ACCUMULATED AMORTIZATION/ DEPRECIATION	NET BOOK VALUE
Capital Lease Furniture & Equipment	\$ 157,180	\$ 109,382	\$ 47,798
	\$ 93,553	\$ 67,077	\$ 26,476
<b>TOTAL</b>	<b>\$ 250,733</b>	<b>\$ 176,459</b>	<b>\$ 74,274</b>

Schedule of Property and equipment, at September 30, 2012

MAJOR CLASS	ACQUISITION COST	ACCUMULATED AMORTIZATION/ DEPRECIATION	NET BOOK VALUE
Capital Lease Furniture & Equipment	\$ 157,180	\$ 77,947	\$ 79,233
	\$ 93,553	\$ 48,366	\$ 45,187
<b>TOTAL</b>	<b>\$ 250,733</b>	<b>\$ 126,313</b>	<b>\$ 124,420</b>

**Note 4: Liabilities Covered and Not Covered by Budgetary Resources**

Liabilities Covered and Not Covered By Budgetary Resources as of September 30, 2013 and 2012 consist of the following:

	2013	2012
<b>Liabilities Not-Covered by Budgetary Resources</b>		
Contingent Liabilities	75,000	75,000
Unfunded Leave	\$ 425,724	\$ 422,215
Total Liabilities Not Covered by Budgetary Resources	\$ 500,724	\$ 497,215
Total Liabilities Covered by Budgetary Resources	293,707	685,360
Total Liabilities	\$ 794,431	\$ 1,182,575

**Note 5: Pensions, Other Retirement Benefits, and Other Post Retirement Benefits**

The NMB reports the full cost of employee pensions, other retirement benefits, and other post-employment benefits in accordance with SFFAS No. 5, Accounting for Liabilities of the Federal Government. Although the NMB funds a portion of the benefits under FERS and CSRS relating to its employees and withholds the necessary payroll deductions, a portion of the Normal Pension Cost remains unpaid. SFFAS No. 5 requires the recognition of this remaining cost as imputed financing.

Pension and other retirement benefit expenses are calculated using cost factors determined by actuaries at the Office of Personnel Management. These cost factors are calculated based on economic and demographic assumptions. The cost factor is multiplied by the basic pay in order to obtain the "Normal Cost" for the accounting period. This Normal Cost is the present value of the projected benefits of each employee allocated on a level basis over the service of the employee between entry age and assumed exit age.

The imputed financing amount represents the difference between the employer's total pension expense and the employer's contribution.

Imputed Financing Sources in 2013 and 2012 consists of the following:

	2013	2012
Office of Personnel Management	\$ 451,523	\$ 465,948
Total Imputed Financing Sources	\$ 451,523	\$ 465,948

## Note 6: Accounting for Leases

### Operating Leases:

NMB occupies office space under a lease agreement with the General Services Administration (GSA) that is accounting for as an operating lease. The lease term was for a period of eleven years began on November 1, 2011 and expires on October 31, 2016. NMB pays GSA a standard level users charge for the annual rental adjusted annually for operating cost escalations in accordance with the provisions in the Federal Management Regulations.

FISCAL YEAR	OFFICE SPACE
2014	\$ 1,402,196
2015	\$ 1,418,181
2016	\$ 1,434,348
<b>TOTAL FUTURE PAYMENTS</b>	<b>\$ 4,254,725</b>

### Capital Leases:

NMB entered into a capital lease on October 6, 2008 to lease a Xerox machine over a five-year period. The lease provide for ownership to transfer to NMB at the end of the lease period. The present value of the minimum lease payments of \$1,671 annually at an interest rate of 9.5 percent was determined to be \$6,415.23 for the second machine. The Capital Lease Asset is being depreciated on a straight line basis on 5 years. The Capital Lease Liability as of September 30, 2013 and 2012 was \$127 and \$1,643.

NMB entered into a capital lease on October 6, 2008 to lease a Xerox machine over a five-year period. The lease provide for ownership to transfer to NMB at the end of the lease period. The present value of the minimum lease payments of \$7,033 annually at an interest rate of 9.5 percent was determined to be \$27,006 for the last machine. The Capital Lease Asset is being depreciated on a straight line basis on 5 years. The Capital Lease Liability as of September 30, 2013 and 2012 was \$535 and \$6,912.

NMB entered into a capital lease on September 10, 2010 to lease a Xerox machine over a five-year period. The lease provide for ownership to transfer to NMB at the end of the lease period. The present value of the minimum lease payments of \$25,807.20 annually at an interest rate of 8.25 percent was determined to be \$102,365.28 for the machine. The Capital Lease Asset is being depreciated on a straight line basis on 5 years. The Capital Lease Liability as of September 30, 2013 and 2012 was \$41,370 and \$67,453.

NMB entered into a capital lease on September 27, 2010 to lease a Xerox machine over a five-year period. The lease provide for ownership to transfer to NMB at the end of the lease period. The present value of the minimum lease payments of \$5,393.52 annually at an interest rate of 8.25 percent was determined to be \$21,393.61 for the machine. The Capital Lease Asset is being depreciated on a straight line basis on 5 years. The Capital Lease Liability as of September 30, 2013 and 2012 was \$8,480 and \$14,164.

## Note 7: Contingent Arbitrator Liabilities

The NMB revised its policy, so that when cases are assigned to an Arbitrator the full cost of the case is obligated. The number of cases not assigned to any arbitrators September 30, 2013 and 2012 is 2,721 and 1,104 respectively. If these cases were assigned, we estimate it would cost \$1,714,230 in fiscal year 2013 and \$695,520 in fiscal year 2012 for arbitrators to hear and render an award on these cases.

**Note 8: Program/  
Operating  
Expenses**

Although OMB Circular A-136 only requires that operating expenses be broken out by program and object classification if the principal statements may be misleading for FY 2013, NMB has chosen to display its operating expenses by object classification for FY 2013 and FY 2012 for a more clear presentation.

	2013	2012
Personnel Compensation	\$ 6,877,934	\$ 7,476,652
Personnel Benefits	2,045,590	1,434,970
Travel of Persons	410,390	601,263
Transportation of Things	50	2,484
Rent/Comm/Utilities	1,479,003	1,526,422
Printing	7,381	6,344
Other Services	1,177,798	1,160,603
Supplies	63,373	154,853
Equipment 1	31,439	34,849
Interst	2	-
<b>TOTAL EXPENSES BY OBJECT CLASSIFICATION</b>	<b>\$ 12,092,960</b>	<b>\$ 12,398,439</b>

**Note 9: Apportionment  
Categories of  
Obligations  
Incurred**

Obligations incurred reported on the Statement of Budgetary Resources in 2013 and 2012 consists of the following:

DIRECT OBLIGATIONS	2013	2012
Category A	\$ 12,209,386	\$ 12,584,790
Category B	6,774	85,736
<b>TOTAL OBLIGATIONS INCURRED</b>	<b>\$ 12,216,160</b>	<b>\$ 12,670,526</b>

**Note 10: Obligated  
Balances Net  
at the End of  
the Period**

The amount of budgetary resources obligated for undelivered orders at September 30, 2013 and 2012 is \$1,403,493 and \$1,445,428 respectively.

**Note 11: Statement of Budgetary Resources vs. Budget of the United States Government**

The reconciliation as of September 30, 2012 is presented below. The reconciliation as of September 30, 2013 is not presented, because the submission of the Budget of the United States (Budget) for FY 2014, which presents the execution of the FY 2013 budget, occurs after publication of these financial statements. The National Mediation Board Budget Appendix can be found on the OMB website (<http://www.whitehouse.gov/omb/budget>) and will be available in early February 2014.

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012 (IN MILLIONS)**

	Budgetary Resources	Obligations Incurred	Distributed Offsetting Receipts	Net Outlays
Statement of Budgetary Resources	\$ 15	\$ 13	\$ -	\$ 13
Difference-Expired Appropriations	(2)			
<b>BUDGET OF THE U.S. GOVERNMENT</b>	<b>\$ 13</b>	<b>\$ 13</b>	<b>\$ -</b>	<b>\$ 13</b>

**Note 12: Reconciliation of Net Cost of Operations (Proprietary) to Budget**

	2013	2012
<b>RESOURCES USED TO FINANCE ACTIVITIES</b>		
Budgetary Resources Obligated		
Obligations Incurred	\$ 12,216,160	\$ 12,670,526
Spending authority for offsetting collections and Recoveries	(668,712)	
Obligations Net of Offsetting Collections and Recoveries	11,547,448	12,670,526
Net Obligations	11,547,448	12,670,526
Other Resources		
Imputed Financing From Costs Absorbed By Others	451,523	465,948
Net Other Resources Used to Finance Activities	451,523	465,948
Total Resources Used to Finance Activities	11,998,971	13,136,474
<b>RESOURCES USED TO FINANCE ITEMS NOT PART OF THE NET COST OF OPERATIONS:</b>		
Change In Budgetary Resources Obligated For Goods, Services and Benefits Ordered But Not Yet Provided	41,935	(329,540)
Total Resources Used to Finance Items Not Part of Net Cost of Operations	41,935	(329,540)
Total Resources Used to Finance the Net Cost of Operations	12,040,906	12,806,934
<b>COMPONENTS OF THE NET COST OF OPERATIONS THAT WILL NOT REQUIRE OR GENERATE RESOURCES IN THE CURRENT PERIOD:</b>		
Components Requiring or Generating Resources in Future Periods Increase In Annual Leave Liability	3,509	-
Components Not Requiring or Generating Resources		
Depreciation and Amortization	50,146	50,146
Change in Future Funded Liabilities	-	(458,641)
Other	(1,601)	-
Total Components of Net Cost of Operations That Will Not Require or Generate Resources	48,545	(408,495)
Total Components of Net Cost of Operations That Will Not Require or Generate Resources In The Current Period	52,054	(408,495)
<b>NET COST OF OPERATIONS</b>	<b>\$ 12,092,960</b>	<b>\$ 12,398,439</b>

## MANAGEMENT ASSURANCES

This section provides information on NMB's compliance with the Federal Managers' Financial Integrity Act (FMFIA) and the Improper Payments Information Act, as well as other management information, initiatives, and issues. FMFIA requires that agencies establish controls that provide reasonable assurance that:

- obligations and costs comply with applicable law;
- assets are safeguarded from waste, loss, unauthorized use, or misappropriation, and;
- revenue and expenditures are properly recorded and accounted for.

It also requires the Chairman to provide an assurance statement on the adequacy of management controls.

## ASSURANCE STATEMENT (FMFIA)

The NMB's management is responsible for establishing and maintaining effective internal controls that meet the obligations of FMFIA within their areas of responsibility. Based on the directors' knowledge of daily operations and other management reviews, the NMB is able to provide an unqualified statement of assurance that the internal controls meet the objectives of FMFIA.



**LINDA A. PUCHALA**

Chairman  
December 12, 2013

## IMPROPER PAYMENTS INFORMATION ACT

The NMB is considered to be at low risk for improper payments since the functional payment areas are limited to traveler reimbursement, commercial vendors for supplies and services, and the payroll EFT payments. The NMB does not administer any entitlement, grant, or loan programs.

## FEDERAL TRAVEL CARD PROGRAM

The NMB is a full participant in the Federal Travel Card Program, and has issued travel credit cards to employees whose official duties may require frequent travel. The Office of Administration along with the Bureau of Public Debit routinely monitors each employee's use of the travel card to ensure that charge activities are restricted to official government travel-related expenses, and that the employee is paying his/her credit card bills on-time.

During FY 2013, the NMB transitioned to the Bureau of Public Debit (BPD) who processes all travel-related expenses on behalf of the NMB. The BPD will reimburse all travel-related expenses within an average of 5 business days after receipt of their completed travel voucher which is audited and approved by the Office of Administration.

During this same period, no NMB employee's travel card account was identified as being more than 30 days delinquent and there were no inappropriate usage of the travel card was identified.

## FEDERAL PURCHASE CARD PROGRAM

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During this period, the NMB continued its use of the U.S. Government's purchase card program to expedite the purchase of authorized supplies and services. The NMB has an internal process that requires an approved purchase request form for all requests. This purchase request is reviewed and approved by the office director before being submitted to the Office of Administration for action. The OA staff determines the appropriate contracting vehicle to procure the requested goods and/or services. The Office of Administration has an internal operating procedure which supplements the coverage in the Federal Acquisition Regulation (FAR) Subpart 1.6, Contracting Authority and Responsibilities.

## FEDERAL INFORMATION SECURITY MANAGEMENT ACT (FISMA)

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The Federal Information Security Management Act (FISMA) requires an annual, independent evaluation of each agency's information technology (IT) security program. With the transition to the cloud, the NMB did not have this review completed during this fiscal year. The NMB will work with BPD to perform the review under its new environment during FY 2014. The results of the reviews form the basis of the NMB's annual FISMA report to OMB, and associated Plans of Action & Milestones (POA&M). The NMB provides its employees and contractors with annual Information Systems Security Awareness training as required by this Act.

## FMFIA SIGNIFICANT DEFICIENCY IN MANAGEMENT OPERATIONS

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In the NMB's 2011 financial audit, the auditors once again identified the same material weakness from the previous fiscal year. The weakness related to the untimely recording of obligations related to arbitration services. These services are payments made to the arbitrators, contractors, who hear and decide minor disputes in the railroad industry. The NMB had previously put administrative procedures in place that it believed would resolve the 2010 findings. The NMB moved to a new system which became fully operational in August, 2012, ensuring that the accounting system and the arbitrator workspace are reconciled monthly and funds are available for the cases assigned to arbitrations. These procedures have placed the NMB on the right path of fiscal accountability over Section III funding.

The NMB will continue to estimate a contingent liability in the notes to the financial statements for cases that are not assigned to arbitrators based upon a \$630 per case cost assumption. The estimated cost was calculated based upon average case costs over the past five fiscal years. While this amount will be in the notes, it will not be on the face of the financial statements.

During FY 2013, the NMB transitioned to the BPD to provide financial management. The NMB also improved its management operations to provide for reconciliation of the arbitration cases assigned to arbitration to the obligations contained in the accounting system. The NMB continues to make improvements in its administrative processes and is hopeful that the deficiency will be eliminated in FY 2014.

## STATISTICAL SUMMARY OF PERFORMANCE

### Report pursuant to Section 2 of the Integrity Act: Internal Control System

Overall Compliance **YES**

#### NUMBER OF MATERIAL WEAKNESSES

Period Reported	Reported	Corrected	Pending
Prior Years	0	N/A	0
2006	0	N/A	0
2007	0	N/A	0
2008	0	N/A	0
2009	0	N/A	0
2010	0	N/A	0
2011	0	N/A	0
2012	0	N/A	0
2013	0	N/A	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>

#### PENDING MATERIAL WEAKNESSES (BY FUNCTION)

Category	Number	Year First Reported
Program management	0	N/A
Functional management:	0	N/A
Procurement	0	N/A
Grant management	0	N/A
Personnel & organizational management	0	N/A
ADP security	0	N/A
Payment systems and cash management	0	N/A
Loan management and debt collection	0	N/A
Property and inventory management	0	N/A
<b>TOTAL</b>	<b>0</b>	<b>N/A</b>

**Report pursuant to  
Section 4 of the Integrity  
Act: Systems and  
Conformance**

Overall Compliance **YES**

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**MANAGEMENT SYSTEMS**

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Existing Systems	Total	In Conformance
Prior years	1	1
2006	1	1
2007	1	1
2008	1	1
2009	1	1
2010	1	1
2011	1	1
2012	1	1
2013		
<b>TOTAL</b>	<b>1</b>	<b>1</b>

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**PENDING NONCONFORMANCE**

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Material nonconformance	Reported	Corrected	Pending
Prior Years	0	N/A	0
2006	0	N/A	0
2007	0	N/A	0
2008	0	N/A	0
2009	0	N/A	0
2010	0	N/A	0
2011	0	N/A	0
2012	0	N/A	0
2013			
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Report pursuant to  
Section 4 of the Integrity  
Act: Financial Management  
Systems**

Overall Compliance **YES, ACHIEVED 1988**

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**NUMBER OF MATERIAL WEAKNESSES**

Period Reported	Reported	Corrected	Pending
Prior Years	0	N/A	0
2006	0	N/A	0
2007	0	N/A	0
2008	0	N/A	0
2009	0	N/A	0
2010	0	N/A	0
2011	0	N/A	0
2012	0	N/A	0
2013	0	N/A	0

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**PENDING NONCONFORMANCE**

Period Report: FY 13	Number	Year First Reported
General ledger control	0	N/A
Interfaces	0	N/A
Data accuracy, timeliness, comparability, usefulness	0	N/A
Property	0	N/A
Cash management	0	N/A
Receivables	0	N/A
Program costs	0	N/A
Payroll	0	N/A
Systems documentation	0	N/A
Audit trails, security	0	N/A
Other	0	N/A
<b>TOTAL</b>	<b>0</b>	<b>N/A</b>

## APPENDIX

94	Glossary
97	Acronyms



## GLOSSARY

**These definitions are provided for general understanding only. They do not provide definitive definition regarding any matter before the Board and are not to be construed as legal definitions that may be cited in any administrative, legal or arbitral proceeding.**

**Act** The Railway Labor Act

**Agency** The National Mediation Board

**Alternative Dispute Resolution (ADR)**

ADR is a process for resolving disputes outside of the judicial system of law. In the venue of the NMB, ADR is the facilitation of interest-based or mutual-interest negotiations and grievance mediation.

**Amendable Contract** Under the Railway Labor Act, collective bargaining agreements become subject-to-change on a specified date, rather than expiring as agreements do under the National Labor Relations Act.

**Annual Report** NMB's Annual Performance and Accountability Report

**Arbitration** A type of dispute resolution process where an arbitrator renders a decision, which usually can be appealed judicially only on a very narrow basis such as fraud

**Arbitration Forum** A committee formed of officials of railroads, rail unions, arbitrators and the NMB for the purpose of improving the processing of railroad employee grievances

**Board** May be one of the following, depending upon the context in which it appears:

- National Mediation Board (NMB)
- Presidential Emergency Board (PEB)
- National Railroad Adjustment Board (NRAB)
- Special Board of Adjustment (SBA)
- Public Law Board (PLB)
- System Board of Adjustment (SBA)

**Carrier** An airline or railroad as defined by sections 151 and 181 of the Railway Labor Act

**CFO Act** Chief Financial Officer's Act

**Class I** A category of the largest U.S. railroads as defined by the Surface Transportation Board

**Collective Bargaining Agreement** A labor contract between a union and a carrier

**Cooling Off Period** A 30-day period of time preceding the right of parties to a collective bargaining dispute to engage in economic "self help" under the RLA

**Craft or Class** A group of employees deemed by the NMB to share a community of work and interest for the purpose of collective bargaining under the RLA

**Direct Negotiations** Negotiations between the parties to a collective bargaining dispute before or apart from NMB mediation

**E-book** A book available via the Internet such as NMB's Annual Performance and Accountability Report

**E-business** The conduct of business on the Internet

**E-filing** An electronic method for submitting documents

**E-Verify** A system for online verification

**Facilitation** A process where a neutral helps the parties in a collective bargaining or grievance dispute use ADR problem-solving methods such as interest-based bargaining or grievance mediation

**Facilitated Problem Solving** This approach to bargaining utilizes a process of problem identification and discussion to reach resolution of issues rather than an exchange of proposals.

**Grievances** Complaints of employees or unions arising out of the application or interpretation of collective bargaining agreements

**Grievance Arbitration** A method of resolving grievances whereby an arbitrator determines the outcome

**Grievance Mediation** In the venue of the NMB, using mediation as an alternative to arbitration for resolving grievances

**Impasse** In mediation under the RLA, an impasse is when the NMB determines that further mediation will not resolve a collective bargaining dispute.

**Interest Arbitration** A process, under the RLA, to establish the terms of a new or modified collective bargaining agreement through arbitration, rather than through negotiations

**Interest Based Negotiation** A type of negotiations where the parties collaboratively focus on finding solutions to underlying needs or concerns of each party (i.e., the whys) instead of adversatively negotiating specific positions

**Internet Voting** A web-based balloting option that supplements telephone electronic voting in representation elections

**Laboratory Conditions** Conditions to a representation dispute which ensure the independence of labor and management for the purpose of self-organization and the right of employees to freely determine whether they wish to be represented, or not, for the purpose of collective bargaining

**Legacy Carriers** A term applied to traditional major, hub-based airlines versus regional or point-to-point carriers

**Major Disputes** Disputes between management and a union pertaining to collective bargaining as opposed to grievance disputes known as Minor Disputes

**Mediation** A type of dispute resolution process where a neutral (i.e., a mediator) facilitates agreement between the parties to a collective bargaining dispute, vis-a-vis imposing a settlement on the parties via arbitration

**Minor Disputes** Grievances of employees or unions arising out of the application or

interpretation of collective bargaining agreements as opposed to collective bargaining disputes known as Major Disputes

**National Handling** Mediation of a collective bargaining dispute where management of several railroads have chosen to negotiate collectively on a national basis  
**National Labor Relations Act (NLRA)** Grants most private sector workers the right to organize and bargain collectively. Air and rail employees, however, are covered by the Railway Labor Act (RLA) rather than the NLRA.

**National Railroad Adjustment Board** One of three types of tribunals under the RLA for resolving railroad grievances (also see Special Boards of Adjustment and Public Law Boards). NRAB cases are resolved by the carrier and union members with or without a neutral.

**NMB Lyceum** The NMB's open-resource, distance-learning website established to provide NMB staff, labor relations practitioners and the public with training programs relevant to the National Mediation Board and the Railway Labor Act.

**Ombudsman** An official of the NMB that receives and addresses problems or complaints of employees or contractors regarding actions of agency managers or staff

**Online Arbitration** An Arbitration forum and a form of Online Dispute Resolution where hearings are held in virtual, web-based meeting rooms with live video

**Online Dispute Resolution** The application of Internet or web-based technology to resolving disputes

**Open Government Directive** President Obama's Directive of December 8, 2009, requiring Federal executive departments and agencies to take specific actions to implement the principles of Transparency, Participation, and Collaboration

**Presidential Emergency Board** A Board established under the Railway Labor Act by the U.S. President to investigate and report on an airline or railroad labor dispute

**Proffer of Arbitration** The step in the process of resolving collective bargaining

disputes under the RLA, which follows a determination of impasse by the NMB, whereby the NMB offers voluntary, binding arbitration to the parties as a method for resolving the dispute

**Public Interest Meetings** Under the RLA, the NMB can intervene in an active collective bargaining dispute at any time in the interest of the general public. Usually, one or both parties to a dispute requests the mediation services of the NMB.

**Public Law Boards (PLB)** One of three types of tribunals under the RLA for resolving railroad grievances (also see National Railroad Adjustment Board and Special Boards of Adjustment)

**Railway Labor Act (RLA)** A federal law that grants interstate airline and railroad employees the right to organize and bargain collectively. Other private industry employees are covered by the National Labor Relations Act (NLRA).

**Representation Dispute** A situation on an airline or railroad where employees in a specific, carrier-wide workgroup seek to organize for the purpose of collectively bargaining with their employer regarding matters of wages, benefits and working conditions

**Section 3** Section 153 of the RLA pertaining to the National Railroad Adjustment Board

**Section 3 Committee** A group of representatives from freight, regional and commuter railroads and representatives of major rail unions, whose goal is the improvement of resolution of grievances

**Section 6** Section 156 of the RLA pertaining to the changing of wages, rules, hours and working conditions

**Section 7** Section 157 of the RLA pertaining to Arbitration

**Section 9** Section 159A of the RLA pertaining to Presidential Emergency Boards for certain publicly-funded and operated commuter railroads

**Section 10** Section 160 of the RLA pertaining to Presidential Emergency Boards for airlines and railroads other than those covered by Section 9a

**Self Help** The right of a party to a collective bargaining dispute to unilaterally act in its own best interest. A carrier, for example, may lock disputing employees out of the workplace or implement changes in pay, rules and working conditions; and the union, for example, may work specifically as required by its collective bargaining agreement or strike

**Showing-of-Interest** In a representation dispute, employees in a Craft or Class must indicate an interest in being represented for the purpose of collective bargaining by signing authorization cards which are submitted to the NMB by the representative/s of their choosing.

**Special Boards of Adjustment (SBA)** One of three types of tribunals under the RLA for resolving railroad grievances (also see National Railroad Adjustment Board and Public Law Boards)

**Status Quo** Situations under the RLA in either collective bargaining or representation disputes where existing pay rates, rules and working conditions cannot be changed unilaterally, pending the resolution of the dispute in question.

**Strike A** work stoppage action initiated by a union

**System Boards of Adjustment (SBA)** An arbitration board pursuant to an agreement by the parties for resolving airline grievances

**System-wide** Under the RLA, a craft or class applies anywhere an airline or railroad operates in the United States

**Telephone Electronic Voting (TEV)** A paperless balloting process using telephones instead of traditional paper ballots

**Work Stoppage** An interruption to the operations of an airline or railroad

## ACRONYMS

<b>AA</b>	American Airlines
<b>ABA</b>	American Bar Association
<b>ABX</b>	Airborne Express
<b>A-CASE</b>	An NMB designation for a Mediation case
<b>ACR</b>	Association for Conflict Resolution
<b>ACRE</b>	Association of Commuter Rail Employees
<b>ADR</b>	Alternative Dispute Resolution
<b>ADRS</b>	Alternative Dispute Resolution Services
<b>AE</b>	American Eagle
<b>AFA</b>	Association of Flight Attendants
<b>AFL-CIO</b>	American Federation of Labor and Congress of Industrial Organizations
<b>AFR</b>	Air Freight Representatives
<b>AFSCME</b>	American Federation of State, County and Municipal Employees
<b>AIRCON</b>	Airline Industrial Relations Conference
<b>ALI-ABA</b>	American Law Institute-American Bar Association
<b>ALPA</b>	Air Line Pilots Association
<b>AMFA</b>	Aircraft Mechanics Fraternal Association
<b>AMTRAK</b>	National Railroad Passenger Corporation (NRP)
<b>AMTTI</b>	Air Tran Maintenance Technical Training Instructors
<b>APA</b>	Allied Pilots Association
<b>APFA</b>	Association of Professional Flight Attendants
<b>ARASA</b>	America Railway and Airway Supervisors Association
<b>ARB</b>	Arbitration
<b>ATDA</b>	American Train Dispatchers Association
<b>ATDD</b>	American Train Dispatchers Department (BLET)
<b>AVG</b>	Average
<b>BCW</b>	Brotherhood of Communication Workers
<b>BHPP</b>	Brotherhood of Hoggers and Pin-Pullers
<b>BLET</b>	Brotherhood of Locomotive Engineers and Trainmen
<b>BMWE</b>	Brotherhood of Maintenance of Way Employees [Employees]
<b>BMWED</b>	Brotherhood of Maintenance of Way Employees Division
<b>BNSF</b>	Burlington Northern and Santa Fe
<b>BPD</b>	Bureau of Public Debt
<b>BRC</b>	Brotherhood of Railway Carmen
<b>BRS</b>	Brotherhood of Railroad Signalmen
<b>CA</b>	Confidential Assistant
<b>CBA</b>	Collective Bargaining Agreement
<b>CFO</b>	Chief Financial Officer
<b>CGE</b>	Concur Government Edition Travel Services
<b>CIO</b>	Chief Information Officer
<b>CLE</b>	Continuing Legal Education
<b>CMI</b>	Continental Micronesia
<b>COOP</b>	Continuity of Operations Plan
<b>COS</b>	Chief of Staff
<b>CP</b>	Canadian Pacific
<b>CRU</b>	Coalition of Rail Unions
<b>CSR</b>	Customer Service Representative
<b>CSX/CSXT</b>	CSX Transportation, Inc.
<b>CWA</b>	Communication Workers of America
<b>D&amp;H</b>	Delaware and Hudson

<b>DC</b>	District of Columbia
<b>DEN</b>	Denver International Airport
<b>DOT</b>	Department of Transportation
<b>EO</b>	Executive Order
<b>F-CASE</b>	An ADR designation for Facilitation cases (F and F-ODR)
<b>F&amp;O</b>	Firemen & Oilers
<b>FAA</b>	Federal Aviation Administration
<b>FAA ACT</b>	Federal Aviation Administration Modernization and Reform Act of 2012
<b>FAR</b>	Federal Acquisition Regulation
<b>FFMIA</b>	Federal Financial Management Improvement Act
<b>FISMA</b>	Federal Information Security Management Act
<b>FMFIA</b>	Federal Managers' Financial Integrity Act of 1982
<b>FOIA</b>	Freedom of Information Act
<b>FPS</b>	Facilitative Problem Solving
<b>FUI</b>	Findings Upon Investigation
<b>FY</b>	Fiscal Year
<b>GAAP</b>	Generally Accepted Accounting Principles
<b>GAO</b>	Government Accountability Office
<b>GC</b>	General Counsel
<b>GLOWS</b>	Accounting System Used by NMB
<b>GM</b>	Grievance Mediation
<b>GM-CASE</b>	An ADR designation for Grievance Mediation cases (GM and GM-ODR)
<b>GPRA</b>	Government Performance and Results Act
<b>GSA</b>	General Services Administration
<b>HELP</b>	Health, Education, Labor and Pensions
<b>HERE</b>	Hotel Employees and Restaurant Employees International Union
<b>IAM</b>	International Association of Machinists & Aerospace Workers
<b>IAMAW</b>	International Association of Machinists & Aerospace Workers
<b>IBEW</b>	International Brotherhood of Electrical Workers
<b>IBT</b>	International Brotherhood of Teamsters
<b>IFPTE</b>	International Federation of Professional & Technical Engineers
<b>IHB</b>	Indiana Harbor Belt
<b>JD</b>	Juris Doctor (Doctor of Law)
<b>MBCR</b>	Massachusetts Bay Commuter Railroad
<b>MD</b>	Maryland
<b>MI</b>	Michigan
<b>MPI</b>	Mileage Plus, Inc.
<b>MRL</b>	Montana Rail Link
<b>NA</b>	Not Applicable
<b>NCCC</b>	National Carrier's Conference Committee
<b>NCFO</b>	National Conference of Firemen and Oilers
<b>NJASAP</b>	NetJets Association of Shared Aircraft Pilots
<b>NLRA</b>	National Labor Relations Act
<b>NLRB</b>	National Labor Relations Board
<b>NMB</b>	National Mediation Board
<b>NO&amp;GCTU</b>	New Orleans & Gulf Coast Trainman's Union
<b>NPRM</b>	Notice of Public Rulemaking
<b>NRAB</b>	National Railroad Adjustment Board
<b>NRLC</b>	National Railway Labor Conference
<b>NRPC</b>	National Railroad Passenger Corporation (AMTRAK)
<b>OA</b>	Office of Administration

<b>OAS</b>	Office of Arbitration Services
<b>ODR</b>	Online Dispute Resolution
<b>OLA</b>	Office of Legal Affairs
<b>OMAS</b>	Office of Mediation and ADR Services
<b>OMB</b>	Office of Management and Budget
<b>OP</b>	Outreach and Promotion
<b>OP-CASE</b>	An ADR designation for Outreach OP and OP-ODR cases
<b>OPEIU</b>	Office and Professional Employees International Union
<b>OPM</b>	Office of Personnel Management
<b>ORD</b>	Chicago O'Hare Int'l Airport
<b>OVC</b>	Online Video Conferencing
<b>PAR</b>	Pan Am Railways
<b>PATH</b>	Port Authority Trans Hudson
<b>PEB</b>	Presidential Emergency Board
<b>PIN</b>	Personal Identification Number
<b>PLB</b>	Public Law Board
<b>POA&amp;M</b>	Plans of Action and Milestones
<b>PRISM</b>	A BPD Procurement System
<b>PRLBC</b>	Passenger Rail Labor Bargaining Coalition
<b>PSA</b>	PSA Airlines
<b>R-CASE</b>	An NMB designation for a Representation case
<b>RDM</b>	Records and Document Management
<b>RIM</b>	Records and Information Management
<b>RLA</b>	Railway Labor Act
<b>RLBC</b>	Rail Labor Bargaining Coalition
<b>RR</b>	Railroad
<b>SBA</b>	Special Board of Adjustment or System Board of Adjustment
<b>SEIU</b>	Service Employees Int'l Union
<b>SEPTA</b>	Southeastern Pennsylvania Transportation Authority
<b>SFFAC</b>	Statements of Federal Financial Accounting Concepts
<b>SIU</b>	Seafarers International Union of North America
<b>SMART</b>	Merger of SMWIA and UTU
<b>SMWIA</b>	Sheet Metal Workers International Union
<b>SOP</b>	Standard Operating Procedures
<b>SORS</b>	Station Operations Representatives
<b>T-CASE</b>	An ADR designation for Training cases (T and T-ODR)
<b>TCU/TCIU</b>	Transportation Communications International Union
<b>TEV</b>	Telephone Electronic Voting
<b>TWA</b>	Trans World Airlines
<b>TWU</b>	Transport Workers Union of America
<b>UAL</b>	United Air Lines
<b>UCH</b>	United Continental Holdings
<b>UP</b>	Union Pacific Railroad
<b>USA</b>	United States of America
<b>USA</b>	United Steelworkers of America
<b>USWW</b>	United Service Workers – West (SEIU)
<b>UTU</b>	United Transportation Union
<b>VAPA</b>	Virgin America Pilots Association
<b>VIN</b>	Voter Identification Number
<b>WDI</b>	Withdrawn During Investigation
<b>YDM</b>	Yardmasters



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